THE FINANCIAL POST

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The Nation's Business

End Man Power Waste Plebiscite Demands

Now that the people have spoken, the government should lose no time in mobilizing Canada's man power for fullest use in winning the war. The responsibility for placing every man and woman in the job which he or she can handle most effectively, must be accepted by Ottawa. The government alone has the vital information necessary for a reallocation of the country's man power.

The result of the plebiscite indicates decisively that the vast majority of Canadians are willing to undertake any task, to accept any sacrifice needed to win the war. They have told the government in the plainest sort of language that they are ready and eager for an all-out war effort, that they are willing to serve to the best of their ability, whether that service is in the fighting forces anywhere, manning the munitions factories or other essential services or producing food. Mr. King has got the clearest sort of mandate for 100 per cent war effort, there is no longer a shadow of excuse for further delay.

Long before this we should have inaugurated a national policy of selective compulsory service. Without it we are running the risk of gravest breakdown in our supply of fully trained fighting men and fighting equipment. To wait until an actual shortage confronts us is courting certain disaster, for when the call comes for reinforcements, or more munitions, if they are not already trained or made and waiting, that call will come too late.

* * * *

OUR STOCK PILE VANISHES

"Up to six months ago, the United Nations controlled sources of essential raw materials far superior to those then available to the Axis powers. It was not until Japan struck with cataclysmic suddenness that our statistical stock pile superiority vanished before our eyes. In a few devastating and heart-breaking weeks, things happened that we never thought could happen, and we found ourselves cut off completely from vast resources of rubber, tin, silk, manila hemp and a hundred other important materials vital to our war production plan."—R. C. Berkinshaw, Chairman, Wartime Industries Control Board, in speech before the Canadian Club at Toronto this week.

This graphic paragraph explains the dire necessity of restricting consumer buying to the barest possible minimum. With our vast reserves of raw materials in the Pacific cut off, we must now live on the scanty supplies we were able to accumulate prior to the lightning conquest by Japan. And this new restriction comes at a time when the appetite of our war plants is increasing by leaps and bounds.

Our first and foremost job is to keep our war plants going and we can only do this, as Mr. Berkinshaw pointed out, not by merely sharing with them our total supplies of steel, rubber, hemp and other key commodities, but by giving them practically the whole of available supplies.

From now on it is not going to be a case of Canadian civilians simply foregoing a few luxuries, but of doing without most of them entirely and in addition, many other lines that some of us may have considered almost necessities.

* * * *

QUEBEC VOTES NO

French Canada's strong "no" vote on the plebiscite did not come as a surprise. There might have been a larger "yes" vote had there been better organization and had a more intensive effort been made to put before Quebeckers a clear picture of the grave peril that faces Canada. Such was not the case. The "nationalists" of Quebec had their way.

At heart the people of the province in Quebec are in this war. Yet the manner in which they have let the conscription issue of the last war overcloud their good judgment and the failure of many of their own leaders to give them stronger leadership at a time when it was badly needed will not help to gain for Quebec the goodwill and understanding of English-speaking Canadians.

French-speaking Canadians are not asked to make greater sacrifices than English-speaking Canadians. They are not less in danger than any other Canadians. Their failure to realize the gravity of the war situation must inevitably leave with the outside world the unhappy and inaccurate impression that Quebec is not willing to do her part in the war.

The deepness of the fissure in Canadian unity has been only too abundantly revealed. The Financial Post believes that French Canada was wrong in voting as it did. It believes that the taking of the vote itself, which was never necessary, was an even greater mistake. But it believes that as the issues of the war strike home more deeply to the hearts and minds of the French speaking people of Canada they will respond to whatever measures of man power mobilization that are needed for victory.

It is useless to seek to "impose" any action upon French Canada. French Canada itself must come along for a truly all-out war effort. We are confident that French Canada will come along. French-speaking Canadians are as loyal to Canada as are English-speaking Canadians.

The vote on Monday does not indicate the contrary; but it does indicate that French Canada is yet unaware of the possibility that we could yet lose this war. If we lose it, French-speaking Canada's rights and privileges will hardly survive.

* * *

REASSURANCE ON SUBSIDIES

Finance Minister Ilsley's statement on the government's policy regarding subsidies to maintain the price ceiling should dispel much uneasiness. Mr. Ilsley told the House of Commons that "there is no evidence or reason to believe that they (the subsidies) can ever reach the fantastic totals of several hundred million dollars suggested in some quarters."

The Minister of Finance also made an important pronouncement of policy regarding the type of goods eligible for subsidies. Beyond a proscribed list of goods issued under the War Exchange Conservation Act early in the war there has been little attempt so far under the prices ceiling to distinguish between essentials and non-essentials.

Now Mr. Ilsley promises to tighten up the regulations and gradually eliminate from the benefit of subsidies all goods deemed non-essential. He warns that this work cannot be too arbitrary and must be carried out gradually and under continual review. But he said:

> "The real issue is whether the goods in question should or should not be produced or imported under present circumstances."
>
> "We are prepared to permit some non-essential supplies to disappear from the Canadian market rather than permit either their prices to be increased above the ceiling or to subsidize what are really non-essentials."
>
> "It is probable that as we go along we shall be increasingly stringent in classifying goods as non-essential and excluding them from subsidy."

The country is indebted to the Minister of Finance for this frank, reassuring and timely statement on a policy of price control that was causing serious uneasiness. Mr. Ilsley did not guarantee his predictions pointing out that actual results will depend on a "large variety of circumstances that cannot be foreseen." But in view of the fact that the Minister of Finance has proved himself to be always shrewd and careful in his estimates most businessmen will feel reassured. Moreover opinion is bolstered immeasurably this week by the news that the United States is also adopting an overall policy of price control. All along the greatest threat to Canada's ambitious plan has been a wide open United States in which the great bulk of our imports originate.

Compromise On Mandate Is Sought

Doubt Early Move on Conscription on Grounds That Volunteers Adequate

By STAFF WRITER

OTTAWA.—The King government is understood now to be hard at work seeking a compromise formula for a follow-up to the plebiscite result.

Some such formula may be found by way of amending the mobilization act in such a way that it will make all men called up liable for overseas service but which, at the same time, would avoid imposing that liability for the time being.

The Prime Minister is avoiding any rapid move, but it is well known here that Cabinet associates are pressing hard for some action and the pressure is almost certain to swell rapidly.

This pressure is expected to outweigh the earlier possibility for justifying inaction: that current recruiting was ample and was already making maximum use of Canada's military training and housing facilities.

During April, it is expected that voluntary enlistments in the Canadian Army will total between 11,000 and 12,000.

In addition to the 11,000 or 12,000 voluntary enlistments in April, some 7,000 men are now being drafted for service each month. This means a total "intake" of between 18,000 and 19,000.

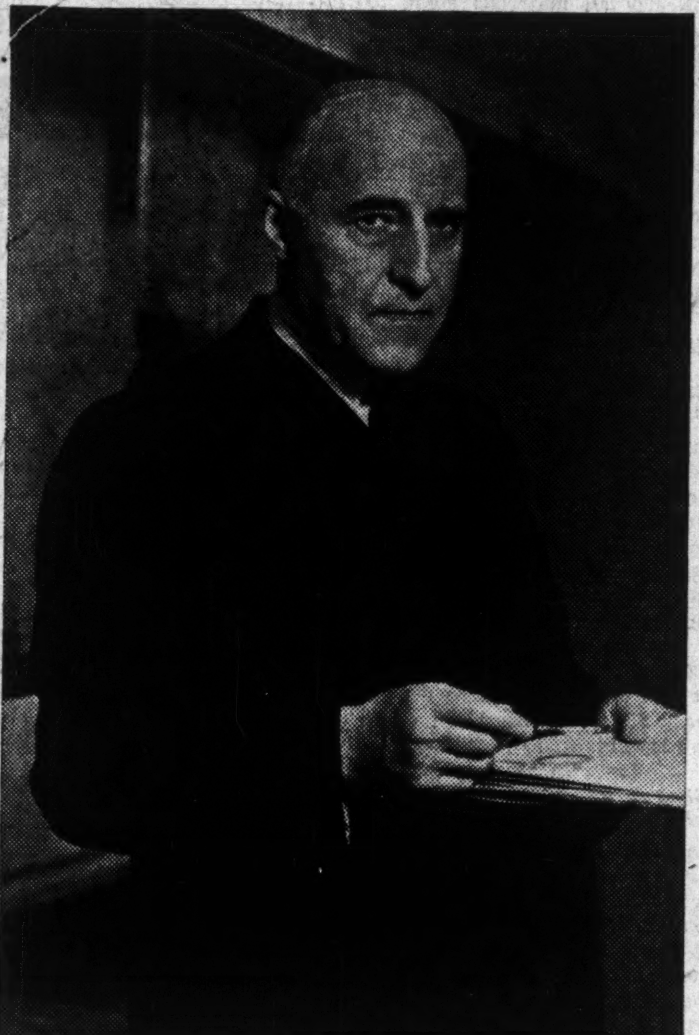
Against this, training facilities for Canada's Army, which have previously been geared to accommodate about 10,000 men a month, are now being expanded to 15,000, according to a statement this week by Lt. General Kenneth Stuart.

Thus so long as the present flow of voluntary enlistment continues, the Prime Minister is expected to state either personally or through his Minister of Defense, Colonel Ralston, that the country's training and housing facilities for army recruits are currently being taxed to their utmost and that any recourse to conscription for overseas service would be unnecessary.

Delivery Order Cuts Paper Use

Deliveries of newspapers are included in the general order restricting local deliveries in the United States to once a day to any one point. After May 15, the Office of Defense Transportation has ruled that the multiple deliveries practiced by newspapers, as well as producers and distributors of other types of goods, must end. Some newspapers, it is said, have made as many as 25 deliveries daily to certain points. The order is expected to reduce newsprint consumption in the U. S.

Key Figure in Plebiscite Aftermath



—Photo for The Financial Post by Karsh.

As Minister of National Defense for the Army, Hon. James Layton Ralston will likely be a key figure in steps for total mobilization of Canada's man power; in deciding what is to be the military obligation of Canada's young and healthy. Flow of recruits into military service has been highly satisfactory in recent weeks and Ottawa reports this may modify in some respects the immediate policy to be adopted. Ex-lawyer, Bluenose Ralston is credited with many of the dramatic modernization steps taken in the Canadian Army in the past year or so.

Declares Quebec Moving Rapidly On Taking Over Power Companies

From Our Own Correspondent

MONTREAL. — Quebec will no longer be the stronghold of privately-owned electrical utilities if enabling legislation being planned results in nationalizing the electrical industry of the province.

Premier Godbout and Hon. P. E. Cote, minister of Lands and Forests, confirm the fact the government is considering the proposal. Neither one will confirm the report that legislation to implement the plan will be brought down during the present sitting of the legislature.

All there is to go on at the moment is that the long-discussed plan for a provincially-owned hydro electric system may be near fruition.

Following a Trend

Last year the provincial government received authority from the legislature to expropriate Beauharnois Light, Heat & Power Co. if the property could not be acquired by negotiation. Shortly before, Premier Godbout came out publicly and gave Quebec's blessing to the St. Lawrence waterway and power scheme.

An Unexpected Move

The current development, in the main, was unexpected.

Beyond confirming the proposed plan, Premier Godbout and other members of the cabinet have not made any further statement amplifying the scheme.

Major Factor on Economy

The adoption of any plan to nationalize the electrical utility services in Quebec will have a profound influence on the economic life of the province.

Practically all the light and power services within the province are supplied by privately-owned companies.

It is difficult to foresee at this time how these units could be welded into one efficient organization. Operations are widely different; markets served are not the same; the services provided are varied.

Even a casual study of the Quebec electrical industry leads to the conclusion that in the event the government takes over, it must still rely for many years on the present personnel to continue and maintain operations.

Expect Tax Saving

The argument advanced for the government's action at this time is that Quebec is unduly handicapped in comparison with the neighboring province of Ontario, that the Quebec electrical utilities pay heavy Dominion taxes, whereas Ontario Hydro is exempted. It is claimed nationalization of the industry would save some $15 millions in income taxes and this amount could be used either to lower rates or to reduce capital obligations.

On the other hand if the Quebec government took over it would lose some $2 millions in taxes and royalties.

Huge Sum Involved

If it nationalizes all the electrical utilities within the province, some three-quarters of a billion dollars will be involved.

These companies have outstanding bonds to the par value of $371 millions; preferred stocks to an amount of $29.5 millions and common stock with a book value of nearly $250 millions.

The market value of many of the junior securities is less than the book

(Continued on page 2, col. 7)

Income Top Here Close To FDR Plan

Proposal for United States Finds Effective Taxation Here Compare

By STAFF WRITER

OTTAWA—An unmarried citizen in Canada would have to earn $60,000 to $70,000 to feel the impact of the new legislation proposed by President Roosevelt this week and which is intended to prevent anyone from retaining more than $25,000 after payment of income taxes only. Some 473 persons (over $50,000 bracket) would be affected.

Assuming that all income over $30,000 is investment income, the amount left by the income tax-collector in Canada to people of varying income brackets is as follows:

Amount Left to Canadian Income Taxpayers on Basis of Present Federal Tax Schedules†

Income:	Unmarried	*Married	‡Married
$	$	$	$
10,000	6,400	7,000	7,300
20,000	10,900	11,700	12,100
30,000	15,000	15,900	16,400
50,000	21,000	23,000	24,000
75,000	29,100	31,100	31,600
100,000	36,000	38,000	38,700
150,000	47,000	50,200	50,800
200,000	56,000	60,000	61,400
500,000 or over	88,300	99,000	100,000

Figures include National Defense Tax and are approximate.

†Assuming all income over $30,000 is "unearned."

*No dependents.

‡Two dependents.

Latest income tax returns for the year 1940-41 (incomes of 1939) showed 1,974 persons in Canada had a net income of $25,000 or more. They constituted 6.5% of Canada's 300,000 income taxpayers in that year and contributed $25.2 millions or almost half the total of $51.5 millions of individual taxes assessed in that year. The 473 reporting incomes of over $50,000 last year paid $15.3 millions.

New Rule May Hit More Trades, Jobs

Expect Sharp Definition Shortly as to What Goods Are Essential in Connection With Subsidy Programme.

By KENNETH R. WILSON

OTTAWA.—Canada's price control programme will shortly enter a new and highly important phase—the rigid application of essentiality to aid or subsidies under the price ceiling, The Financial Post is informed.

Heretofore, there has been no clearcut policy. Some imports were excluded as "non-essential." Others, equally non-essential were imported and subsidized (apparently because they failed to be included on the original list). In the field of domestic subsidies a prime test, heretofore, has been whether a commodity could or could not be sold under the ceiling. If there were no alternative to continued production and sale except by paying a subsidy, the Board has heretofore inclined to pay a subsidy whether or not the item was "essential."

Will Have to Qualify

The new policy, it is understood, will make the test of "essentiality" a prime consideration for any relief by means of public subsidy under the price ceiling.

This will mean inevitably an extension of the list of imported goods which are "ineligible" for subsidy. It will probably mean that commodities now included for domestic subsidy (such as many "non-essential" items on the recent grocery list) may be weeded out. Certainly future payments of domestic subsidy will be subjected to the test of essentiality.

This question of essentiality was referred to a number of times by Hon. J. L. Ilsley in his long-awaited statement of subsidies, read in the House of Commons last week. Said Mr. Ilsley:

> "We are prepared to permit some non-essential supplies to disappear from the Canadian market rather than permit either their prices to be increased above the ceiling or to subsidize what are really non-essentials."

Referring specially to imports he stated:

> ". . it is probable that as we go along we shall be increasingly stringent in classifying goods as non-essential and excluding them from subsidy."

In another part of his statement he said:

> "The real issue is whether the goods in question should or should not be produced or imported under present circumstances."

May Hit Employment

This is the phase of price ceiling policy which is now to be implemented and which may have an important effect on employment and distribution of certain lines of merchandise which may not now be able to qualify as "essential."

If goods which cannot sell within the ceiling are now classed as unessential, they might either be declared exempt from the ceiling and permitted to sell at higher prices, or else eventually be withdrawn from manufacture and sale.

At the moment there seems no disposition to puncture the ceiling, even for luxury items. . .

The alternative (unless costs can be reduced sufficiently to absorb the "squeeze") would be for these items to disappear from production and use. This policy would involve a shifting of man power and productive effort in order to take up the slack caused by the application of such a policy.

In his statement to the Commons, Mr. Ilsley expressed his conviction that ". . . if the cost of subsidies can be kept within reasonable dimensions—and I am sure it can—it is an insignificant cost to pay compared with the evils which we will avoid by using it."

He stated that an arbitrary figure of $50 millions had been included in the war appropriations bill as the

(Continued on page 2, col. 6)

U.S. Export Price Freeze Has Little Effect Here

By STAFF WRITER

OTTAWA.—Imposition of an export price ceiling by United States, effective April 30, is not expected to have any very important immediate effect on Canada.

Chief beneficiary of the ceiling will be South America which has been importing heavily U. S. manufactured goods and where sharply higher prices for goods in short supply, were being charged.

Most of Canada's remaining items of import from the United States are goods brought in under open general license and at prices already fixed by government order or by special arrangement. Thus our imports of tank or airplane engines are fixed as a rule by the level of prices charged to U. S. tank or plane producers.

It would be the imposition of an over-all price and wage control on all U. S. goods and services which would therefore benefit Canada more than a ceiling on export prices.

Cost Price Lower

Other commodities such as cotton and coal which are imported in large quantity by Canada are commodities handled under long-term contracts. In the case of cotton, Canada is now purchasing her requirements at prices considerably below the current prevailing price in the United States.

Inclusion of Canada as a full-ranking member of the Munitions Assignments Board of the United Nations will also mitigate effects of the export price control. It is expected that Canada will draw most of her war needs (steel, machine tools, component parts, etc.) out of the "pool." Just how much of our requirements will be "pooled" and how much will have to be purchased on the open market is not yet clear, but it is expected that the bulk of our needs will be met from the pool. Accordingly, what happens to the general level of prices in the United States (rather than the ceiling on export prices) will be of most concern to this country.

Apart from war needs and essential goods for civilian consumption, the list of Canada's purchases from the United States is steadily narrowing. The first important barrier was the War Exchange Conservation Act. Then came a long list of items declared ineligible for subsidy under the price ceiling. This list is expected to be increased in the near future.

Things You May Need To Know About How the Man-power Order Works

By STAFF WRITER

OTTAWA.—Some clarification of selective service "permits" in restricted occupations was made this week with the issue of Circular No. 1 for the use of National Selective Service Officers. The circular lists 22 explanations and interpretations of P.C. 2250 governing employment in "restricted" occupations.

Highlights of the interpretations follow:

The manufacture of clothing is considered a restricted occupation in the production of textile products.

Cost clerks and student accountants are required to obtain permits before accepting employment in that occupation.

Occupation in wholesale or retail trade means "employment in enterprises engaged mainly in handling products already manufactured or processed." Examples:

(a) manufacture of ice is not a restricted occupation.

(b) all drugstore staffs are deemed engaged in retail trade and consequently permits are required. Further consideration may be given to apprentice of graduate pharmacists, but meanwhile permits must be obtained but shall be granted freely.

(c) dairy industry and ice cream manufacturing are not reserticted industries.

(d) milling of flour and allied products is not restricted.

(e) line grain elevators are not a restricted industry.

Employers may transfer employees on their payroll as at March 23 from one occupation to another within the organization provided the employee is not being transferred permanently (or for a considerable period) from a non-restricted to a restricted occupation.

Permits are not required for employment by provincial governments.

Permits may be granted students seeking employment for the summer holidays for the duration of those holidays if their refusal means they would otherwise be prevented from securing employment. If students are needed for munitions work they should be directed to such work rather than allowed to enter a restricted industry by permit. Permits should not be given to students who normally follow agricultural pursuits (farmers' sons) if needed on the farm.

Permits should not be granted for a period of more than six months.

Right to Appeal

Refusal to grant a permit by a Selective Service Officer should be given in writing with a clear statement of the applicant's right to appeal.

Local labor situations are to be considered a factor in all applications. If an applicant's services are not required in an essential industry, permits should be granted freely especially if the applicant is outside the 21 to 30 age group.

Permits should not be issued to applicants who do not establish that a job is open for them.

In the field of musicians and entertainers it is necessary to distinguish between contracts for service as an employee and as an independent contractor. A salaried violinist cannot transfer from one orchestra to another without a permit but the orchestra leader does not need a permit to transfer the whole orchestra from one hotel to another.

Govt. Company Salvage Boss

Plans to extend the scope of the national salvage campaign are being mapped this week by officials of Wartime Salvage Limited, a newly-organized Crown company.

At present the collection of some materials—including materials needed for war production—is unprofitable in outlying districts because of the cost of getting them to markets.

Rather than permit an increase in the prices of these materials, which come under the price ceiling, the Wartime Prices and Trade Board proposes to equalize the cost of getting salvage from collection to consumption points. This will be handled by Wartime Salvage Limited, as forecast in The Financial Post March 28.

Even Out Freight Bills

It is understood that so far as possible the company will endeavor to have freight charges evenly distributed over salvage collected near the markets and that collected at more distant points. Where necessary the difference will be paid out of public funds.

The idea is to make salvage profitable in all parts of Canada and at the same time avoid an over-all increase in prices. For the time being operations are likely to be confined to the eastern part of the country. Waste paper and roofing rags will be the first items tackled. Steel and rubber will not figure at this stage.

Walter Bark has been appointed managing director of Wartime Salvage, which will have its head office in Toronto. Mr. Bark is a Toronto insurance man. In the last war he was with the Canadian Salvage Corps, as assistant officer commanding operations in London, Eng. This corps, an army venture, undertook to salvage waste of all types and came close to putting the army incinerators out of business.

British-Baiter Tells His 4,000,000 The Financial Post Not Nice to Him

William Randolph Hearst, British-baiting U. S. publisher, has just given his reputed four million subscribers a two column blast saying that The Financial Post has not been kind to him and that he is one of Canada's good and true friends.

Mr. Hearst's lamentation results from a recent article in The Post which revealed a plan was on foot to get Mr. Hearst invited to Canada under government auspices on the understanding that he would widely publicize Canada's war effort and its tourist attractions on his return to the United States.

The Post also reported with quotations the anti-British line which was being followed by the Hearst press and which showed Hearst as one of the chief spokesmen of the U. S. isolationist and anti-united front groups.

Significantly, no government auspices were apparently forthcoming for the Hearst tour of the Dominion.

For quoting Mr. Hearst's newspapers in their attacks on Britain, Mr. Churchill and other things British, The Post was taken to task severely by Sigmund Janas.

Mr. Janas is a New Yorker and president of Canadian Colonial Airways, Incorporated which has had some operational link with Canadian Colonial Airways, Ltd., of Montreal, a Canadian company. From the latest report of the limited company of the same name, the name of Mr. Janas formerly listed as vice-president no longer appears. It is just announced that the word "Canadian" has been dropped from the U. S. company's name which is now Colonial Airways, Inc.

Principal contact of the air line with Canada has been the non-stop daily flight run from LaGuardia Field in New York to St. Hubert airport near Montreal. Recently, the Civil Aeronautics Board refused a license for this trip to the Canadian limited company, forcing transfer of operations to the incorporated American company of which Mr. Janas is president.

Stock in Canadian Colonial Airways Ltd., the Canadian company, was offered in March, 1940, 50,000 shares being offered at that time for $5 per share. No dividends have yet been reported.

The Janas protest—a column and a half long—that The Post did not properly appreciate the great and good loyalties of Mr. Hearst to the cause to which Canada is committed, included such comments as the following:

"Mr. Hearst was not alone in the United States in being an isolationist previous to Dec. 7, 1941. In fact, some of our other outstanding citizens preferred to follow the admonitions of George Washington rather than the suggestions of Mr. Churchill and Mr. Roosevelt.

"Mr. Hearst may have an enmity for things British—most Americans have this same attitude in a minor or major degree. The school books of the United States tend to spread this enmity. The history taught in our grammar schools and in our high schools would not be complete if they did not tell of the efforts of Great Britain to deprive the Americans of the things which they later obtained through the Revolutionary War. Our histories would not be complete if they did not tell of the War of 1812 when American sailors were, without their volition, impressed into the British Navy. There

(Continued on page 2, col. 3)

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Company Reports

Inter. Utilities

Business of operating subsidiaries of International Utilities Corp. in 1941 expanded. National emergencies in Canada and the United States, however, imposed restrictions on materials required for construction which will curtail such programmes in the future.

The two major operating subsidiaries are General Water, Gas & Electric Co. in the United States and Dominion Gas & Electric Co. in Canada.

For the coming year it is stated that no dividends can be expected on the common shares of General Water, Gas & Electric until provision has been made for refunding balance of its first lien bonds.

No specific action has yet been taken on a reorganization of the company such as requested by the Securities & Exchange Commission but a committee of the board is studying the matter.

Income and Surplus Account
Years Ended Dec. 31

	1941	1940
	$	$
Operating revenues ...	6,469,665	6,245,381
Add: Other income ..	589,181	687,133
Total earnings	7,058,846	6,932,514
Less: Operations exp..	2,836,638	2,691,372
Maintenance	388,045	364,890
Legal costs	66,048	......
Depreciation	602,883	569,404
Interest	878,693	952,833
Income & E. P. taxes	630,116	493,387
Other taxes	525,461	577,142
Bad debt prov.	10,491	17,229
Amort. debt disc. ...	23,154	22,207
Subsid. pref. divds. .	449,252	424,158
Min. interest	84,426	95,876
Net profit	563,649	724,016
Less: Preferred divds.	344,996	344,960
Surplus for year	218,653	379,056
Add: Previous surplus	1,256,698	36,089
Various adjustments	58,042	1,260,237
Less: Misc. debits	418,334	418,684
Earned surplus fwd. .	1,114,059	1,256,698
Earned per share:		
$3.50 preferred	$6.00	$7.55
Paid	3.50	3.50
Class A	$1.49	$3.22

Working Capital

	$	$
Current assets	4,904,485	6,003,864
Current liabilities	1,662,309	1,611,609
Working capital	3,242,176	4,392,255

Balance Sheet Changes

	$	$
Cash	1,770,653	2,785,711
Investments	1,613,243	1,534,510
Funded debt (subsids.)	16,849,320	18,127,941

Quebec Power

Consolidated earnings of Quebec Power Co. for the three months ended March 31 at nearly $1.5 millions show a relatively large increase over those reported for the like period a year ago. Part of the gain of $197,557 was absorbed in higher expenses and provision for depreciation, but offset in part by lower fixed charges. Net profit subject to income and profit taxes at $313,834 compared with $291,883 in the first three months of 1941.

Statement of Revenue and Expenses
Three Months Ended Mar. 31

	1942	1941
	$	$
Gross revenue	1,479,874	1,282,315
Less: Oper., tax., exp.	893,170	751,353
Net earnings	586,754	530,962
Less: Fixed charges ..	122,920	124,195
	463,834	406,767
Depreciation	150,000	114,884
Net profit subject to inc. & profits taxes ..	313,834	291,883

N. S. Light

Nova Scotia Light & Power Co.'s consolidated operations in 1941 reached a new high peak.

A new 4,500 hydro-electric station was completed and brought into operation on the Black River. Tramway traffic last year showed an increase of 37% over 1940. Additional cars were obtained to carry this increased load. The increased demand for gas has made it necessary for the company to contract for an additional bench of four retorts, which will add 1/3 to gas manufacturing capacity.

While capital expenditures have been limited almost entirely to those necessary to meet war demands, it is noted the outlay in this connection was slightly better than $1 million in 1941.

Cons. Income and Surplus Account
Years Ended Dec. 31

	1941	1940
	$	$
Total earnings	3,959,312	3,271,860
Less: Oper. exps.	1,719,763	1,479,599
Depreciation	577,800	541,400
Interest	301,760	308,631
Income & E. P. taxes	913,873	517,173
Bond discount	44,634	42,598
Net profit	401,482	389,921
Less: Pref. divds.	145,800	145,800
Common divds.	207,138	207,138
Surplus for year	48,544	36,983
Add: Prev. surplus ..	475,313	452,738
Sundry credits	30,724	5,592
Less: Cont. reserve ..	......	20,000
Earned surplus fwd. ..	554,582	475,313
Earned per share:		
Preferred	$16.52	$16.05
Paid	6.00	6.00
Common	7.41	7.07
Paid	6.00	6.00
Working capital*	694,204	159,459

*Excess of liabilities.

Balance Sheet Changes

	$	$
Cash	125,178	92,115
Investments	40,949	52,406
Accounts receivable ..	516,454	468,633
Inventories	206,462	150,311
Bank loans	100,000	......
Funded debt	7,480,000	7,566,000
Fixed assets	16,041,671	14,955,635

United Service Corp.

United Service Corp., which controls Super-Service Stations, Provincial Oils and other companies operating in Nova Scotia, reports a somewhat higher income in 1941 than in 1940, but increased taxes absorbed the gain.

Total sales for the year were nearly $4.7 millions, compared with $4 millions in the previous year. This does not include sales within the corporation and subsidiary companies of approximately $1 million.

Cons. Income and Surplus Account
Years Ended Dec. 31

	1941	1940
	$	$
Total earnings	464,216	439,640
Less: Depreciation ...	135,391	125,299
Interest	22,249	23,801
Income & E. P. taxes	96,485	58,294
Bad debts	27,736	44,961
Other Interest	34,217	36,148
Insurance	1,369	2,131
Sundry w/o	......	2,336
Net profit	143,186	147,269
Less: Preferred divds.	41,595	40,704
Common dividends .	16,500	16,500
Surplus for year	85,091	90,065
Add: Previous surplus	446,953	356,888
Earned surplus fwd..	532,044	446,953
Earned per share:		
Preferred	1.06	1.21
Paid	0.35	0.35
Common	3.31	3.44

Working Capital

	$	$
Current assets	1,192,167	1,039,445
Current liabilities	718,396	611,952
Working capital	473,771	427,493

Balance Sheet Changes

	$	$
Investments	157,757	106,369
Inventories	651,605	491,561
Bank loans	38,000	84,000
Funded debt	1,031,900	1,066,400
Fixed assets	2,053,301	1,985,502

C. W. Lindsay

C. W. Lindsay & Co.'s statement for 1941 shows a moderate improvement in gross income, while the surplus after bond interest and taxes of $51,098 compares with $12,973 the year before. Earnings on the preferred stock amounted to $11.80, up from $2.94.

In the first seven months of the year sales exceeded by over 30% those for the comparable period in 1940 but consequent to the restrictions, the increase in sales for the year was reduced to 10%.

In discussing outlook for the company, J. A. Hebert, president, stated that due to curtailing and prohibitions affecting manufacture of goods making up an important part of the sales volume, outlook for the immediate future is obscure. Anticipating this heavy inventories have been built up, but Mr. Hebert adds "it must nevertheless be recognized that as existing inventories are exhausted their replacement will in any event be difficult and in some cases impossible."

Income and Surplus Account
Years Ended Feb. 28

	1942	1941
	$	$
Operating profit	76,858	72,524
Add: Other income ..	56,212	47,323
Total earnings	133,070	119,847
Less: Depreciation ...	13,749	13,630
Interest	18,000	18,000
Income & E. P. taxes	34,761	7,574
Bad debts	14,417	67,169
Capital loss	544	......
Surplus for year	51,098	12,973
Add: Prev. surplus ..	128,380	115,407
Earned surplus fwd. .	179,478	128,380
Earned per share:		
Preferred	$11.80	$2.94

Working Capital

	$	$
Current assets	1,000,920	883,494
Current liabilities	116,671	64,491
Working capital	884,249	819,003

Balance Sheet Changes

	$	$
Cash	72,067	9,755
Investments	615	40,465
Inventories	293,670	139,408

Canadian Celanese Ltd. has been granted permission by Ottawa to increase its production facilities on the understanding no public financing will be involved, according to Camille Dreyfuss, president, speaking at the annual meeting of shareholders. These additional facilities, he added, will provide a large volume of many essential and valuable products for war use and civilian supply: fortisan yarn; celanese staple for production of wool-like fabrics and other products.

As regards current operations, Mr. Dreyfuss reported first quarter results were considerably ahead of a year ago.

The War and Business . . .

Steel Use Soars

The war has increased enormously Canada's consumption of steel. Despite a doubling of production between 1939 and this year imports from the United States have increased 4½ times during the same period, R. C. Berkinshaw, former Toronto industrialist and now head of the Wartime Industries Control Board told a Canadian Club audience this week. And practically all of this goes into war equipment, added Mr. Berkinshaw, prohibition on civilian use applying all the way from steel for baby buggies right through to coffins.

* * *

Appetite of Mars

Head of the WICB also revealed some details as to why civilian restrictions of steel and other key commodities were so necessary if maximum war production was to be achieved.

To make a medium-sized tank, said Mr. Berkinshaw, required as much steel as went into 24 averaged-sized passenger automobiles; to make a single fighter plane, as much aluminum as would be used in 700 automobiles; to fly a bomber from London to Berlin and back took as much gasoline as 12 passenger automobiles would use in making a trip from Halifax to Vancouver and return, if there was a direct road.

* * *

U. S. Priority Troubles

Washington is still involved in priorities trouble—and Canada gets some of the back-wash.

Chief troubles seem to be a "depreciation of the currency"; too many high priority ratings issued.

At first Washington rated everything on a separate priority on the basis of putting urgent things first. Then it was found that the holders of the top priority got everything and other critical needs, that got the next priority, were allotted no materials. So priorities were "upped." Battleships, guns, tanks, merchant ships, for instance, all got an A1A listing. But without enough steel to go around, giving all important jobs an A1A priority merely created new troubles.

Now Washington is supplementing priorities with allocations in an increasing number of materials. Each important need is supplied according to a percentage of its programme.

Canada gets an even break on all U. S. priorities. In the allocation of basic materials the two countries are one. Canada is the only country in the world to which goods may be shipped by American exporters without specific export licenses for each shipment.

Nearly all materials going to Canada now get a "G" or general export license.

* * *

Canada Gets Order

Two new war production jobs taken on by Canada in recent weeks, and not yet publicly announced, are likely to offset more than half of the expected losses from U. S. tourist traffic in the all important matter of providing us with precious American dollars for our war effort.

* * *

Gold Bonanza

An unofficial estimate, carefully made, is that Canadian gold mines require only $4 millions a year of materials imported from the United States. This is, of course, for operations alone and would not include steel and machinery for new construction were new mines brought into production.

As Canada's gold mines produce $200 millions a year of U. S. funds it will be seen that we get $50 back for every American dollar we lay out.

* * *

Seaway Prospects

A quiet census on Capitol Hill in Washington reveals that the St. Lawrence waterway bill lacks just a few votes of the necessary number for passing.

President Roosevelt still has his heart set on the waterway. But he is at the moment disinclined to "turn the heat" on Senators to get the bill high up on the order paper and through Congress.

* * *

War Charities

Some important changes are pending in the operation and direction of war charities.

One of the problems which is known to be under scrutiny is the permit system which allows any of the 5,000 or more charities registered with the department to authorize the holding of single functions by others not directly under the control of the authorities. It is quite probable that this permit system will be withdrawn entirely.

Another angle to the war charity problem is that the need and the opportunity is narrowing considerably.

For example, charity organizations asked for a collective allotment of 4½ million pounds of wool this year. They were cut to 1 million pounds because of the critical wool shortage.

* * *

Beaverbrook Statistics

Lord Beaverbrook laid down some hard facts on the line in his address in New York. They included these items:

When Germany over-ran Europe she cut off three fourths of British imports of iron and steel, all the raw materials of British aluminum output; most of her wood products, including raw materials for most of Britain's newsprint.

Britain lost 47 warships off Norway and at Dunkirk.

A division consumes two tons of gasoline for every mile it travels.

A single anti-aircraft battery requires three tons of ammunition in a minute's action.

Five tons of shipping are needed to keep one soldier overseas.

British tank production has doubled in six months.

Britain is producing at the yearly rate of 35,000 2-pounder or larger guns.

British submarines have sunk 326 enemy ships including 64 warships. Sea and air attacks have accounted for 5½ million tons of enemy shipping, 3 capital ships, 13 cruisers, 53 destroyers and many submarines.

The R.A.F. has destroyed 10,000 Axis planes for the loss of less than half that number.

Of 33 million people in Britain between 14 and 64, 20 million have been mobilized for the forces and vital war work.

British-Baiter Tells His 4,000,000 The Financial Post Not Nice to Him

(Continued from page 1)

are many other instances in American history of British attitudes that cannot be construed as particularly friendly to the United States of America and any student of American history remembers the support given by the British to the South during the war of rebellion, better known as the Civil War. Any fair-minded person must recognize that it is very easy for an American to grow up "anti-British" particularly if they are familiar with the record which Great Britain has written in its efforts to destroy the Republic of the United States.

"Hearst is Needed"

But, Mr. Janas insists, these old scores should be forgotten in the common struggle. The cause of unity needs the services of men like Hearst.

"There are millions of Americans who, at the present time, do not know what Canada is doing in this war. They have no opportunity of visiting Canada and in many instances they know no Canadians. They cannot understand why the United States has a national draft where American boys and American men are called upon, if sound in body and limb, to join the forces, while Canada, which has been in the war much longer, still has no draft, or as it is called, selective compulsory service. This is not a matter of opinion—it is a burning national question.

"I should like to see the people of the United States know the Canadians better just as I would like to have the Canadians really know the Americans better. This is not a purely platonic situation because unless I am mistaken, and I hope I am, Canada may need some Americans to help her defend her western coastline in the not too distant future. If she needs this help, she will get it from the United States, but I do not believe it would be a deterrent to a full measure of effort on the part of we Americans if, through intelligent reporting, they knew beforehand the Canadians as I know them."

However, Mr. Janas appears to have sent Mr. Hearst a copy of his letter to The Post and that copy is used by Mr. Hearst to call thunder on The Post and to cuddle up with Mr. Janas who calls him "an outstanding American citizen" and who thinks it would be a good idea for the Canadian government to provide Mr. Hearst with a private coach for the Canadian tour in return for the favorable publicity Mr. Heart is in a position to give and who offers Mr. Hearst an airplane if Canada hasn't the money for a coach. (It was reported that the proposed Hearst tour would likely involve a private railway coach.)

Mr. Hearst in his column—signed this time, though it frequently is not—devotes most of his space to the unassailable point of his right to speak his mind and to criticize.

Visited Many Times

He relates at length his visits to Canada; that "Canada is a wonderful place to be and to see and that the people of the United States should be closer to their good neighbors there."

Says Hearst of his favorite punching bag, Winston Churchill:

"I do not dislike him personally. On the contrary, I like him very much. He has visited my house at San Simeon for weeks. I have visited him in England.

"I have always found him a genial and most agreeable gentleman, with a keen sense of humor and many other delightful qualities. I only hope that he retains half the happy remembrance of me that I have of him.

"I also think that Mr. Churchill is a very pleasing and persuasive speaker and a very able writer. All this I have repeatedly said and most sincerely mean.

"What I do not admire are the things that Mr. Churchill is doing, or rather not doing, as Premier of England, to win the war, or rather not to win this war. I could keep quiet about this vital matter, but should I do so? Mr. Churchill is a public man, legitimately open (in regard to his acts) to public comment and criticism."

Mr. Hearst follows with a paean of praise for Canada.

"One does not need nor seek an invitation to visit Canada. I have often visited Canada.

"I spent a winter in Quebec. I have been in Montreal and on the Great Lakes and on the Arrow Lakes and the Kootenay. I have been at Laggan and Lake Louise and climbed the Rockies there and at Glacier. I have camped on the edge of great rivers of ice and slept in the thunder of the ice cataracts from the glacial peaks.

"I have coasted down over the snow aretes and over slender arches of ice covering tumbling streams beneath. I have lived in the comfortable and homelike and wonderfully conducted hotels of Canada from Quebec to Vancouver. I have written about all these enjoyable places and urged our people in the United States to see America first, and to know their neighbors and their neighbors' lovely land better."

When Mr. Hearst denies "that I have asked to be welcomed to Canada. One does not need or seek an invitation to visit Canada," he confirms a later article in The Post which reported that the Hearst visit was suggested by a group of individuals not connected with the Canadian government. But they hoped to get official sponsorship for the invitation.

Weekly Record of Financing in Canada

SALES BY MUNICIPALITIES, PROVINCIAL AND DOMINION GOVERNMENTS

Municipal—	Date Issued	Sold to	Rate	Due	Amount	Price	Yield
Winnipeg, Man.	Mar.	Privately	4%	1952	$1,500,000	.....	.....
Napanee, Ont.	Mar.	Locally	3½%	1943-53	10,750	100.50	.....
Uxbridge Ont.	Mar.	F. L. Craig	3½%	1943-62	4,000	99.00	.....
Hamilton, Ont. (treasury bills)	Apr.	Royal Securities (privately)	....	June 30, '42	250,000	.....	.....
Seaforth, Ont.	Apr.	J. L. Graham & Co.	3½%	1943-57	10,000	99.50	.....
Dominion—							
Canada Treasury Bills	Apr.		....	July 31, '42	45,000,000	99.861	.545%

OFFERINGS OF CORPORATIONS AND FOREIGN SECURITIES

Bond Issues—	Date Issued	Offered by	Rate	Due	Amount	Price	Yield
Golden Manitou Mines	Apr.	Privately by Milner, Ross & Co. and Draper, Dobie & Co.	6%	1948	$425,000	.....	.....

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C.P. Air Lines Adds Big Training Unit

From Our Own Correspondent

MONTREAL.—Canadian Pacific Air Lines is now undertaking expansion of its training and repair branch operated in conjuction with the Empire Air Training Scheme, according to C. H. "Punch" Dickins, vice-president and general manager of C.P.A.L. As planned, this branch will shortly employ five times as many employees as in the transport section.

In addition to the six air observer schools, C.P.A.L. also operates one elementary flying training school, two engine overhaul plants. Under present plans the company will add four large aircraft repair plants, making it by far the largest civilian organization engaged in the Empire Air Training Scheme.

New Rule May Hit More Jobs And Trades

(Continued from page 1)

estimated cost of subsidies in the current fiscal year, but he added:

"I should like to be able to give the house a reasonably accurate estimate of these subsidies this year and in future, but that is not possible. Their amount will depend on a large variety of circumstances which cannot be foreseen, particularly on the costs of import and of shipping, and on the speed with which savings can be effected by the simplification programme I have just referred to."

He also tabled the following list of subsidies already paid out by the Commodity Prices Stabilization Corporation up to April 21:

Commodity Prices Stabilization Corporation Ltd. Subsidies Paid Up To and Including April 21, 1942

Domestic		$1,974,762
Milk	$1,387,630	
Footwear	584,355	
Leather garments	2,777	
Imports		154,219
Spices, ground	174	
Lima beans ...	459	
Rice	5,468	
Tapioca	284	
Cocoa, beans, etc.	3,922	
Fruits, dried and evaporated	31,245	
Grapefruit juice	70,297	
Anaesthetics ..	816	
Antimony oxide	2,645	
Peppermint oil.	360	
Inedible pigskin grease ...	1,217	
Tableware	311	
Brass and copper nails etc. ..	125	
Cutlery	660	
Tools	160	
Hollow-ware ..	132	
Iron and steel (manufactured)	513	
Cotton linters .	1,910	
Cotton, rovings, yarns, warps .	5,127	
Cotton woven fabrics	13,330	
Cotton handkerchiefs	246	
Woven fabrics of cotton and hemp	872	
Vegetable fibre rovings, yarns and warps	1,700	
Wool, camel, goat, etc.	270	
Carpets, rugs, etc.	183	
Raw hides, and skins	4,826	
Broom corn ...	6,089	
Sundry items ..	871	
		$2,128,982

Metal Signs Out For the Duration

From Our Own Correspondent

MONTREAL.—Manufacture of metal signs in Canada over one square foot in area is prohibited from May 31 next by order of the Controller of Supplies. Consequently the neon sign manufacturing division of Claude Neon General Advertising Ltd. will suspend operations except for maintenance of existing signs on contract, and the manufacturing of a small amount of business not requiring new steel.

Bell Telephone Co. of Canada has issued a further 496 shares of capital stock, payment for which has been received. These shares were issued in connection with the Employees Stock Fund bringing the number outstanding to 836,972.

HOLD HIGH THE TORCH OF FREEDOM

MANUFACTURERS . . . Are You Making War Material?

Borrow at the Bank, if necessary, to speed up your production for Canada's war effort.

Despite general Government financing of war projects, there are many "in-between" credit needs where the Bank can be and wishes to be helpful.

Whether you make bullets or beds, cannon or caps, shells or shoes, for our forces—you are welcome to bring your credit problems to the attention of our nearest branch manager.

BANK OF MONTREAL
"A Bank Where Small Accounts Are Welcome"
Modern, Experienced Banking Service . . . *the Outcome of 124 Years' Successful Operation*
A1?

Quebec Moves Toward Own Power System

(Continued from page 1)

value. On the other hand the actual value of plant, including in certain cases assets which do not appear in general balance sheets, indicate the government would have to pay a huge sum at the time of acquisition.

Naturally the government could arrange a deal whereby no cash outlay would be involved. Government securities could be given for those issued by the companies.

Even at that the magnitude of the proposal would constitute one of the largest financial deals made in this country in many years. This is evident by the accompanying table showing the value of assets and capital set-up of most of the leading electrical utilities in the province.

So far the government has not released any details of what type of organization it proposes to set up; whether or not all companies will be taken over; the manner in which values will be determined, etc.

	Total Assets	Capital		
		Bonds	Preferred	Common
Montreal Power	210,311,384	89,627,500	....	*102,926,712
Beauharnois	(1)	(1)	....	4,000,000
Montreal Island Power	(1)	(1)	1,000,000	375,000
Shawinigan	181,649,190	85,005,500	....	67,562,997
Quebec Power	30,210,870	12,292,000	....	11,349,500
Gatineau	149,312,000	78,641,667	15,896,000	23,426,797
S. C. Power	24,965,523	6,111,121	7,088,900	8,000,000
Saguenay Power	72,632,225	31,199,000	5,000,000	21,000,000
Sag. Electric	(2)	(2)	(2)	(2)
Maclaren Quebec	†30,000,000	19,963,500	....	6,494,471
Northern Quebec	....	▲6,000,000	....	°200,000
Lower St. Lawrence	2,438,934	1,384,700	800,000	30,000
Aluminum Power	†35,000,000	28,562,500	....	300,000
St. Maurice Power	17,116,592	14,000,000	....	2,500,000
	753,636,718	370,787,488	29,584,900	249,965,477

* Includes surplus.
(1) Incorporated with Montreal Power.
(2) Incorporated with Saguenay Power.
† Estimated.
▲ All owned by parent firm, Canada Northern Power.
° No par value shares, owned by parent company.

Obituaries

Philo Bradley Yancey, aged 56, at Montreal, general manager, explosives and ammunition group Canadian Industries Ltd.

* * *

John Cambell Cameron, aged 56, at Montreal, manager, furniture department Henry Morgan & Co. Ltd. of Montreal.

* * *

Lionel C. West, aged 53, at Toronto, president West Petroleums Ltd.

Bond Redemptions

Ames, H. Tire ..	*7%	1943	May 1	10
Stand. Lime ...	▲6%	1944	May 1	10

*$23,000. ▲$20,500.

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Simpson's

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PROTECT YOUR HOME FROM SUMMER SUN

Awnings are not just an accessory for your home, they're a necessary protection against the damage of blazing Summer sun. They protect curtains, they help keep drapes, rugs and walls from fading — they're practically a "must" for careful home owners.

PAINTED DUCK AWNINGS in a variety of colorful stripes, 70c to 1.50 yard
WOVEN DUCK AWNINGS, ... 59c to 1.50 yard

Ready-to-hang Awnings
in background shades of green, red or sand with gay stripes
30 inches wide......... 2.75
36 inches wide......... 2.95
42 inches wide......... 3.25
48 inches wide......... 3.50

Verandah Slat Screens
5 ft. wide.......... 3.75
6 ft. wide.......... 4.25
7 ft. wide.......... 4.95
8 ft. wide.......... 5.95
9 ft. wide.......... 6.95

Estimates, within the city limits, are gladly given free of charge.
Home Lovers Club Terms available in awnings.

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Executive widely experienced in industrial and business management, public industrial and labour relations and personnel direction, is seeking an opportunity. Has held outstanding positions in Canada and the United States with recognized achievement. Willing to go anywhere. War industry preferred but not restricted. Highest references.

Box 292, The Financial Post, Toronto

This week The Financial Post asks

For returned soldier rehabilitation do you favor, as now being discussed in parliament, farm settlement with government aid as major part of programme?

P. C. Armstrong

Canadian Pacific Railway, Montreal, and prominently associated with land settlement problems in western Canada.

It may be taken as certain that agriculture will continue to be the main occupation of the human race and that Canadian agricultural production will continue to expand in the postwar world. For these reasons I believe that plans to establish demobilized members of the fighting services on farms with financial and other aid from the government should be an important part of our programme of reconstruction after victory.

* * *

Alphonse Brassard

District chief, Dept. of Colonization, Chicoutimi, P.Q.

Colonization is to be favored for rehabilitation of the demobilized soldiers. However, it is good whenever these soldiers have the training and health for the work.

Canadian opinion is favorable to all lasting, sound and productive national movement, hence is favorable to colonization.

* * *

Major John Barnett

Manager, Credit Foncier Franco-Canadien, Ontario Division, and formerly in charge of the soldiers' settlement work following first Great War.

Your premise is questionable. Numerically farm settlement is not a "major part of a programme" for returned soldier re-establishment — it won't cover 10% of those demobilized.

It's major importance arises because it should take care of large numbers of men who have no jobs awaiting, no capital or friends to help, and who have too limited basic education or are too old to be taught satisfactorily vocationally or commercially.

These men constitute a major and the most difficult re-establishment problem. They turn to any farm settlement plan and it must try to handle them. Despite every care, failure and disappointment must come and will come in many cases.

Farm settlement is a major factor in effecting recovery in men thrown off mental balance by army life and war rigors. Outdoor life on their own restores mental equilibrium and initiative, but when recovery is complete many will abandon the farm because living and financial rewards are not attractive. These men get good jobs and fill a worthy place in society—but the country has a farm on its hands.

On these grounds the proposals are sound and well worth attempting. But the success or failure of the scheme will not be determined by the number of men still on the farm at the end of 10 or 15 years or by the amount of money the government recovers. If these are to determine the judgment of success or failure, despite all the care, the final story 10 or 20 years hence won't be substantially different from the former soldier settlement effort which is criticized so bitterly.

* * *

Hon. H. Cockshutt

Chairman of the board, Cockshutt Plow Co., Brantford, former lieutenant-governor of Ontario.

I would consider general aid to soldiers necessary. Farm settlement for soldiers with land experience might work out satisfactorily. However, if inexperienced men and men with young families are selected and sent to isolated farms it would prove a doubtful policy.

Allowing others to drift would not be right. Why not make it broader and offer all returned soldiers selective work? Manufacturing in Canada should be greatly developed after war by turning our attention to goods not hitherto produced here.

I would suggest enquiry be made in all provinces as to prospects for employment when war is won. Diversified work is necessary for such a country as ours. We have resources and undeveloped wealth, and many have had experience of pioneer days. We ought to be able to handle this situation now, but it should include all classes.

* * *

T. A. Cumming

The Journal, Ashcroft, B.C.

I favor the rehabilitation of soldiers on farms but not as a major part of the program. I estimate that 75% of soldiers are not farmers and are unsuitable for placing on land. For agricultural purposes it is not advisable to repeat the mistake of the last war in this connection. A large number of soldier settlement lands in this district reverted to the government in a few years after being settled by returned men.

I favor an active rehabilitation program by the government but the majority of returned soldiers might be repatriated into other industries where there will no doubt be many openings following this war.

* * *

Hon. Chas. A. Dunning

President, Ogilvie Flour Mills, former Dominion Minister of Finance, former Premier of Saskatchewan.

The returned soldier farm settlement legislation now under discussion gives evidence of most careful thought and also full appeciation of the lessons taught by the experience of the old plan. I believe that the present proposals will enable soldier settlers to succeed on the land provided that agriculture generally is in a reasonably sound economic relationship to other industries.

As I see it, if the non-soldier farmer can be moderately successful over a period of years then the returned soldier settler under the plan has a substantial additional guarantee of success.

Brig.-Gen. John A. Gunn

President, Canadian Legion War Services Inc.

I feel it is premature to pass any opinion on the farm rehabilitation plan presently before Parliament but experience shows that success or failure depends entirely upon the selection of administration and supervision.

* * *

H. A. Craig

Former Deputy Minister of Agriculture for Alberta.

I favor the soldier rehabilitation policy provided the following matters are strictly adhered to in order of importance mentioned:

Good land in a moisture area with sufficient clearing to enable a start without delay.

Rigid selection of men and families so that only those suited to farming and with substantial farming experience are accepted.

Each settler to be located within reasonable reach of church, school, store, post office and doctor.

Highly competent continuous supervision provided until established.

Sufficient financial aid to carry comfortably through the early stages without overburdening with debt.

I do not favor group settlement in undeveloped districts and think it much wiser to locate among established settlers if the land is available.

* * *

Rev. D. Henault

Société de Colonisation, Joliette, P.Q.

I am not well acquainted with the Federal Government plan for the rehabilitation of the soldiers who will be demobilized.

However, if we refer to the past to see what might happen in the future, we will have to be very careful about this plan of colonization. There are certain points which must be studied in colonization and these points must not be sacrificed when we will rehabilize any men even if they have merited it.

* * *

H. G. Long

Editor, Herald, Lethbridge, Alta.

Soldier farm settlement for postwar rehabilitation should not be harshly and unjustly judged against the rather painful result after the last war. Inflation then had set high prices for land, livestock and machinery, and deflation following left soldier settlers little chance to make good. Avoid this in the proposed scheme, choose men with farm experience, and agriculture will play a splendid part in rehabilitation of veterans.

Remember that "have-not" countries look greedily at the vast, sparsely-settled Canadian West which must be put to best use with settlers of our own choosing. If the world trades after the war the West will make good.

* * *

J. T. Leishman

Editor, Haileyburian, Haileybury, Ont.

Regarding the soldier rehabilitation programme, I believe the scheme outlined in Parliament is too extensive and complicated. It would leave the settler with too heavy obligations unless a very careful selection was made and this would greatly reduce numbers. The old system of land grants proved almost as good as the plan of settlement after the last war and cost much less. It gave settlers the independence which is lacking in the present plan. The tendency toward over-regulation is seen in the proposal.

Citizen soldiers always appreciate freedom after demobilization and would find the obligations to the government burdensome under the present plan. The estimated cost of $80 millions would be greatly exceeded and I doubt if the result would justify it.

* * *

Prof. Firmin Letourneau

Oka Agricultural Institute, Oka, P.Q.

I am favorable to the establishment of returned soldiers on the land. I suggest that these men be chosen, trained and guided carefully. I would favor settlement in groups and sufficient capital supplied for a fair start. Later the farms should be organized to supply particular markets.

W. R. McConnell

Assistant Treasurer, Canada Life Assurance Co.

As agriculture is likely to remain a leading industry in the economy of Canada, I believe that farm settlement with government assistance should have a definite place in any plan for the re-establishment of returned soldiers. However, great care will have to be exercised in the selection of suitable farms and settlers so as to provide the maximum possible assurance of successful operations. This is essential in order to avoid subsequent financial loss to the country and disappointment and failure to individual settlers.

* * *

Lt.-Col. E. A. Olver

Chairman, Citizens' Repatriation Farm Committee, which has settled substantial group of ex-service men from first Great War on small holdings near Brooklin, Ont.

Any man can make a living for himself and family on a farm providing he is willing to work and his wife is willing to help him and be satisfied and contented.

I do not consider that farm settlement can be considered as the major part of the programme for soldier rehabilitation. I feel that at the outside not more than 10% of our returned men can be taken care of in this way.

The plan as outlined and now being discussed in the House of Commons is a very generous one and provides a good opportunity for those who have already signified their desire to take up farming on their return from the war.

One point which I have not heard discussed is where the soldier is to get the cash necessary to first: pay $360 as an initial deposit. Second: to live and pay interest the first year. Third: to provide himself with seed and feed for his animals, because no returns will be received by him until the end of his first crop year. If this part of the problem can be solved, and the proper selection of men made, and the proper direction and administration given, the plan should be an overwhelming success.

One other point is the selection and size of farms. They should be located in every province; they should not be segregated; they should be near schools and churches so that proper relations with his fellow men can be maintained. They should be of different acreages to provide for the capabilities of the men. They should provide for different kinds of farming.

* * *

Mrs. F. J. Slight

Editor, Camrose Canadian, Camrose, Alta.

Ninety-five per cent of the soldier farmers in this ideal location after the last war gave up the struggle because the original debt was too great and the returns too uncertain and the conditions too trying. Many of them were utterly unsuited to farming.

Guidance and training are necessary during the difficult readjustment period. Put former farmer-soldiers only on the land in community groups; cut down the tremendous overhead; give business administration; give needed social contacts. Then the scheme might have a chance. Failing all else appoint only thoroughly experienced men to administrate the scheme.

* * *

Major H. G. L. Strange

Director, Agricultural Research Dept., Searle Grain Co., Winnipeg, former winner wheat championship of North America.

Twenty-five thousand is only a small part of the expected new veterans. I consider farm settlement excellent for rural veterans but would recommend it for city veterans only after a fairly long period of apprenticeship farming to determine their suitability. I consider the ceiling price on prairie farms should be sufficient for a half section but would probably require more than $3,600.

I consider it a definite duty of the country to provide adequate maintenance and some useful work to all demobilized men and their families requiring help not only for 52 weeks as proposed but as long as necessary until the men are finally re-established in civil life on a self-supporting basis. Canada cannot afford to repeat the shameful hardships and sufferings endured by untold thousands of old soldiers and their families after the last war.

R. A. Telfer

Humboldt Journal, Humboldt, Sask.

The proposed returned soldier's rehabilitation programme as a postwar government plan is a step in the right direction and will be the means of re-establishing many hundreds of returned men into civil life. Western Canada, we think, should be particularly interested in the scheme.

* * *

W. V. Udall

Editor, Recorder, Boissevain, Man.

The rehabilitation of returned soldiers on the land is at present being discussed at Ottawa. I strongly oppose any such scheme unless a strictly non-partisan board is set up to have full control and administration of such rehabilitation.

The settlement of soldiers on the land after the last war was 90% a failure from the soldiers point of view and also the taxpayers. If such a scheme is decided upon the acreage should not be more than 160 acres of choice land, fully equipped. Erection of buildings could be undertaken by qualified builders now serving in His Majesty's Forces.

* * *

Alex M. Wilson

Publisher, Dryden Observer, Dryden, Ont.

One wonders how those to be placed on farms would fare when it is remembered many one-time prosperous farmers have been operating near bankruptcy the past few years as a result of poor prices. It would seem some sort of stabilization of farm prices at a profitable level would be necessary if the success of the plan was to be assured. Then if those to be placed are given every assistance when they begin they have every chance of success. But only men carefully selected as to farm knowledge should be placed. Bearing these facts in mind the government should adopt the proposal.

THE Craftsman goes to War!

While bombs burst, shells crash, engines roar and wheels thunder—keen-eyed engineers observe the performance of Empire battle equipment. To them, the battlefront is a world-wide laboratory from which come new methods of warfare, new ideas for military vehicles.

An idea is flashed back to Ford of Canada, takes form in the engineering department. Then the Canadian craftsman goes into action—turning blueprints into tools with uncanny accuracy and quiet speed. Knowing that the lives of brave men depend on his handiwork, this toolmaker leaves nothing to guesswork.

Far away on a battlefield as wide as the horizon, an Empire column seeks out the enemy. Fast, rugged trucks—"flying wings" of the motorized attacking force—dart in and out on scouting sorties, carrying officers, gun crews or vital wireless equipment. These speedy fighting machines are "made-to-order" for modern warfare in Ford of Canada's Windsor plant.

The grey-haired craftsman in Windsor and the square-jawed man on the battlefront fight side by side. The craftsman is part of "the Ford way" of making sure that Canada's fighting machines become steadily better, faster, stronger. The Empire warrior is using these modern "tools of war" to show the world a free man can always lick a slave.

"Our objective is to do everything within our power to provide equipment that will give our fighting men striking power superior to that of the enemy. We will produce to the limit of our capacity and expand that capacity as necessary until the job is done. Every fighting machine we produce is built to the highest standards known to modern science."

W. R. Campbell

A statement by Wallace R. Campbell, President, Ford of Canada.

FORD MOTOR COMPANY OF CANADA, LIMITED

Oil Companies Hope to Hold Sales Volume

Earnings Outlook Not so Clear, Particularly For Distributing Companies

By A. D. ELLWOOD

With one exception, Canada's major oil refining and distributing companies reported lower net profits in 1941 than they did in 1940. All, except North Star Oil, reported gains in operating earnings from Canadian business only. In the case of Imperial Oil, the largest, Canadian refining, distributing and transportation profits exceeded profits from other sources for the first time since 1931. This was due more to dividend reductions made by International Petroleum Co., chief source of the "other income" than to improved conditions in Canadian operations.

Volume of sales of gasoline and other petroleum products in Canada last year reached all-time record heights. This meant high sales volume for oil companies and operating profits, before allowing for depreciation, interest and taxes, moved up substantially. In most cases heavy reserves were set aside, particularly for possible future depreciation of inventories. Income and excess profits taxes took much larger amounts.

Altogether, these charges offset the gains which might have resulted from the larger sales volume.

For those companies engaged solely in wholesale and retail distribution of petroleum products, 1941 saw higher net profits. Reports for three of these, operating in Ontario with the exception of Supertest which also operates in Quebec, indicate that greater sales volume more than offset other less favorable factors.

Top Ranking Lost

It is not so long ago that oil companies ranked at the top with Canadian investors. In some ways they have fallen from this high position, probably due to factors not entirely under their control. Intense competition for gallonage, multiplicity of sales outlets, taxation and lower profit margins all played a part.

Of at least equal importance over the past year has been the increasing knowledge that war was going to mean serious dislocations. The culmination is enforcement of rationing of gasoline in Canada since April 1 this year with the object of decreasing civilian use of gasoline and oil.

War Demands Help

Oil companies enter 1942 with the future even more unpredictable. There is the certainty that civilian consumption is going to be reduced. A. L. Ellsworth, president of British American Oil Co., however, is hopeful of maintaining comparably high volume in 1942 when he tells shareholders:

"While, there will be curtailment of civilian uses of gasoline and motor oil in 1942, the demand for petroleum supplies for the machines of war and the machines of industry engaged in war work, possibly may more than offset the decrease in civilian consumption."

This reasonably hopeful attitude toward the current year is supported by the knowledge that sales volume of B. A. Oil and other companies in the first quarter of 1942 was higher than in the corresponding period of 1941.

Earnings More Uncertain

What the outlook for earnings may be is exceedingly difficult to forecast. Ability to transport sufficient quantities of crude oil to keep Canadian refineries running at capacity seems threatened and has been the factor emphasized in all publicity explaining necessity of rationing gasoline. It is a very real factor that can play an important part in results of 1942 operations for oil companies.

Of some aid will be the apparent trend toward placing increasing emphasis on sale of products other than gasoline on which profit margin may average slightly higher. Sales to the Army, Navy and Air Force are going to be well maintained but here profit margins are stated to be below average.

All things considered, it seems difficult to see how oil refining and distributing companies in Canada can do any more than hold earning in 1942 reasonably close to last year's levels. Probability seems to favor some decline.

Hard On Distributors

For the companies which depend entirely on wholesale or retail distribution of petroleum products, the outlook seems less favorable. They have depended very largely on civilian users, the class that is to be hardest hit under rationing plans. With only minor exceptions, the armed forces buy their requirements from those companies which have refining facilities of their own and do little or no business with the distributors. Thus this chance for offsetting a declining phase of the business with one likely to be well maintained is practically denied to the distributing companies.

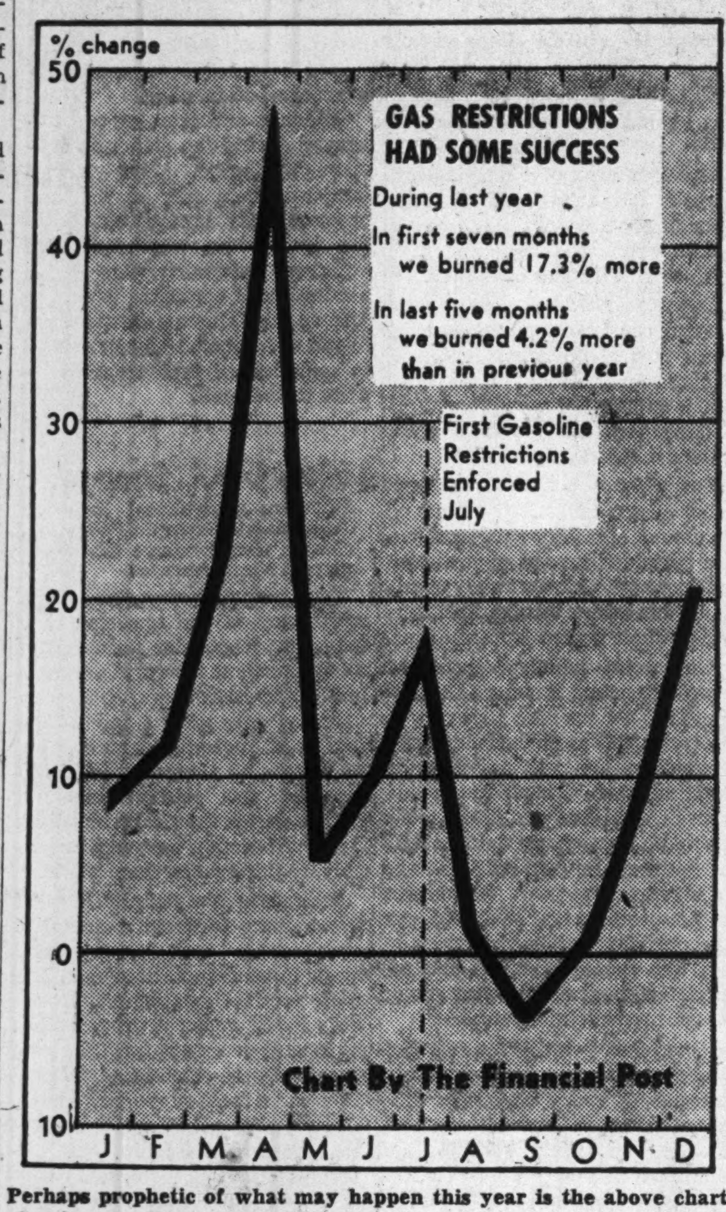
There seems little chance of higher dividends from the oil companies this year and it is suggested that aggregate investor return will do well if it is maintained on last year's level.

Few Postwar Fears

Looking farther ahead to the post-war period, position of oil companies appears favorable. There is no doubt that the desire to resume regular scale consumption of gasoline will be present in Canada. The companies should be faced with a relatively small problem in shifting from war production back to peace production.

With few exceptions, the whole group enjoys the security and strength that comes from possession of ample working capital. They can finance any shift from war to peace and would generally be able to maintain dividends even through a period of reduced earnings, but for regulations against paying out more than is currently earned.

The dangers and uncertainties ahead for this industry so favored in peacetime have had their effect on market prices for their securities. Measured by the Dominion Bureau of Statistics index of stock prices, the four major oil stocks have declined from a wartime peak of 93.3 in October, 1939, to a current level of around 42. Over a comparative period the D.B.S. index of industrial shares has declined from 97.3 to about 58.



Perhaps prophetic of what may happen this year is the above chart showing gasoline sales in 1941. It indicates the extent to which the voluntary curtailment campaign initiated last summer halted the strong upward tendency evident in early 1941 months. This year, the announced objective is a cut in civilian use of at least 25%, to be enforced through a card rationing system.

Refining and Distributing Companies

	Net Earnings (Before tax., deprec., etc.) 1941	1940	1939	Net Profit (After all charges) 1941	1940	1939	Per Com. Sh. 1941	1940	1939
	$000			$000			$	$	$
B. A. Oil	7,905	6,814	5,996	2,911	3,085	*3,438	1.05	1.11	1.24
Can. Oil Cos.	1,506	1,165	1,060	378	371	452	1.52	1.46	2.03
Imperial Oil	21,505	17,727	†	8,807	8,630	†	0.33	0.32	†
McColl-Frontenac	4,756	3,704	3,410	852	1,058	1,266	0.43	0.86	1.05
North Star Oil	411	428	391	85	93	78	0.07	0.12	0.04

*In addition $1.1 million received as dividends from U. S. subsidiaries in 1939, equivalent to 17 cents a share on the common.

†Changes in manner of presenting accounts make comparable figures for Canadian refining and distributing operations not available. If other income included total per share earnings would be: 1941, 60c; 1940, 65c; 1939, 71c.

Liquid Asset Comparison

	Cash 1941	1940	1939	Inventories 1941	1940	1939	Net Working Capital 1941	1940	1939
	$000			$000			$000		
B. A. Oil	3,583	1,831	1,979	9,919	10,982	10,171	11,750	12,261	12,711
Can. Oil Cos.	234	234	*278	2,640	2,124	1,817	2,543	2,307	1,141
Imperial Oil	23,900	15,728	15,619	37,309	33,390	27,397	56,767	45,062	43,959
McColl-Front.	333	409	405	8,728	6,678	5,763	7,183	6,553	6,211
North Star Oil	157	†48	87	1,087	1,189	1,164	86	§108	195

*Bank loans totalled $295,000. †Bank loans totalled $250,000.
§Excess of current liabilities.

Distributing Companies

	Net Profits 1941	1940	1939	Per Common Share 1941	1940	1939
	$	$	$	$	$	$
Supertest	360,393	328,199	405,167	3.17	2.87	3.57
Crown-Dominion	5,371	*247	10,132	0.07	*0.003	0.13
Thayers	37,745	30,950	34,718	0.09	*0.04	0.02

*Deficit.

Canadian Dividends Less By $1.2 Million in May

Dividends scheduled for payment by Canadian companies in May this year are going to be about $1.2 million lower than in the same month of 1941, according to an estimate made by The Financial Post. Coupled with the decline shown in the preceding three months, this will take the five months' total $4.9 millions below a year ago.

Interest payments to be made in May this year are the same as in the same month of 1941.

Of interest in the May list are declaration of extras by four companies. Brewers & Distillers of Vancouver is paying 10 cents a share extra. Canadian Investors is paying five cents, St. Lawrence Flour 50 cents and Toburn Gold one cent.

On the other hand, Canadian Investment Fund has reduced its payment to four cents from the former five cents rate. Commoil is paying half a cent a share instead of a cent and Kirkland Lake Gold is paying four cents instead of five.

Comparative details of payments scheduled for May follow:

Monthly Dividends

	1942	1941
	$	$
January	22,952,057	23,026,402
February	10,016,154	10,655,895
March	27,730,638	27,821,583
April	20,939,115	23,823,789
May	5,990,288	7,230,853
Total	87,628,252	92,558,522

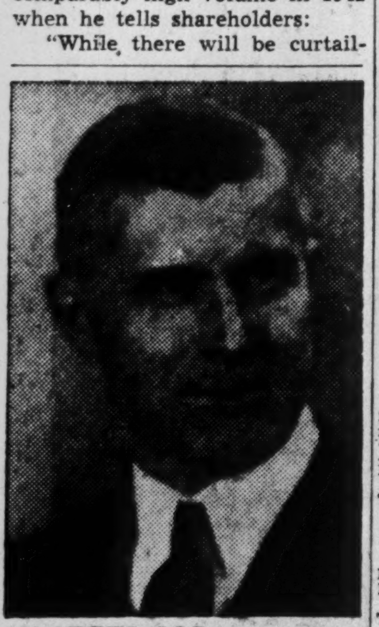
Summary of May Payments

	1942	1941
	$	$
Dividends	5,990,288	7,230,853
Bond interest	38,303,000	38,303,000
Total	44,293,288	45,533,853

Dividend Payments
Industrials and Utilities

Company	Rate	Date	Amount
	$		$
Ang. Can. Tele., p.	.68¾q	1	56,787
Ault & Wiborg, p.	1.37½q	1	6,182
Beatty BrBos., 1st pf.	1.50q	1	13,642
Blue Ribbon, pfd.	.62½q	1	18,656
Brew. & Distillers	.50a	20	288,869
Do., extra	.10	20	57,773
B. C. Telephone, 2nd p.	1.50q	1	67,500
Caldwell Linen, pf.	.37	1	5,550
Do., 2nd pref.	.20	1	5,000
Calgary Power, pf.	1.50q	1	88,500
Can. Bronze	.37½q	1	30,000
Do., pref.	1.25q	1	9,375
Cosmos Imperial	.30q	15	30,000
Crown Cork	.50q	15	50,000
Dist. Seagrams, p.	†1.25q	1	209,000
Dominion Bridge	.30q	23	154,185
Dominion Tar, pf.	1.37½q	1	69,231
Gen. Steel W., pf.	$1.75	20	78,750
Do., partic.	28c	20	12,600
Gordon & Belyea, A	1.50	1	3,300
Do., B	.30	1	277
Inter. Metal, p., A p.	1.50q	1	67,807
Inter. Util., pr. pf.	†.87½	1	86,597
Neon Pr. W. Can., pf.	1.50s	1	5,400
Penmans	.75q	15	48,388
Do., pref.	1.50q	1	16,125
Quebec Power	.25q	25	138,299
Rolland Paper, c.	.15q	15	14,988
St. Law. Flour	.35q	1	12,600
Do., extra	.50	1	18,000
Do., pref.	1.75q	1	10,063
Saguenay Pwr., pf.	1.37½q	1	68,750
Shaw. W. & Pwr.	.22q	25	479,215
Sher.-Williams, ord.	.15	1	30,000
Simpsons, pref.	1.62½q	1	182,812
South. Can. Pwr., c.	.20q	15	79,998
Steel of Canada	.75q	1	345,000
Do., pref.	.75q	1	194,889
United Steel, pf.	.75s	1	17,068
Weston, Geo., pf.	1.25q	1	21,875
Wood, A. & J., pf.	1.75q	1	11,375
Zellers	.20q	1	25,000
Do., pref.	.37½q	1	11,250
Total			3,140,676
Mining Companies			
Delnite Mines	.03	29	89,363
Goldale Mines	.02	11	56,806
Hedley Mascot	.02	15	45,282
Inter. Nickel, pfd.	†1¾%	1	483,486
Island Mountain	.08	25	84,057
Kirk. Lake Gold	.04s	4	213,067
Leitch Gold	.02q	15	57,000
Privateer Gold	.03	10	73,622
Sherritt Gordon	.05	29	293,721
Toburn Gold	.03q	22	55,500
Do., extra	.01	22	18,500
Total			1,470,404
Oil Companies			
Calgary & Edm.	.05	15	120,755
Canadian Oil, c.	.25q	15	35,941
Commoil	.00½	25	4,851
Total			161,547
Financial			
Can. Bk. of Commerce	2q	1	600,000
Can. For. Invest., c.	.70	1	51,391
Can. Inv. Fd., sp. ord.	.04q	1	90,968
Can. Investors	.10q	1	10,000
Do., extra	.05	1	5,000
Commonwealth Intnl.	.04q	15	6,197
Dominion Bank	2.50q	1	175,000
Imperial Bank	2.50q	1	175,000
Royal Trust	.80q	1	80,000
Sherbrooke Trust	1.50q	1	4,500
United Corp., A	.37q	15	19,585
Total			1,217,661
Grand total			5,990,288

q—Quarterly. s—Semi-annualy. a—Annually. †Payable in U. S. funds.



IN STEEL JOB

A. H. Pepper has been appointed assistant manager of the steel sales division, Dominion Steel and Coal Corp., Ltd. Born in the Maritimes, and educated at Mt. Allison University, Sackville, N.B., Mr. Pepper has been associated with the steel industry since 1912. His home is in Montreal.

An Advantageous Offer

● Holders of certain Dominion of Canada and C. N. R. sterling payment bonds involved in the recent repatriation operation between Canada and the United Kingdom, have been advised that provision has been made to purchase these bonds by the Government of Canada and the Canadian National Railways.

There is an advantage to Canadian holders of these bonds in accepting this offer.

A list of these sterling payment bonds is available at this office; and we will be glad to assist you in effecting redemption of your holdings and reinvestment of the proceeds.

NESBITT, THOMSON
AND COMPANY, LIMITED
355 St. James St. West, Montreal

Branches in the principal cities of Canada

212A

National Breweries Ltd. is conducting a campaign urging the prompt return of all empty beer bottles. The need is urgent, the company says, if it is to continue shipments to British troops in Libya, Egypt and elsewhere. It is shipped in bottles which cannot be returned.

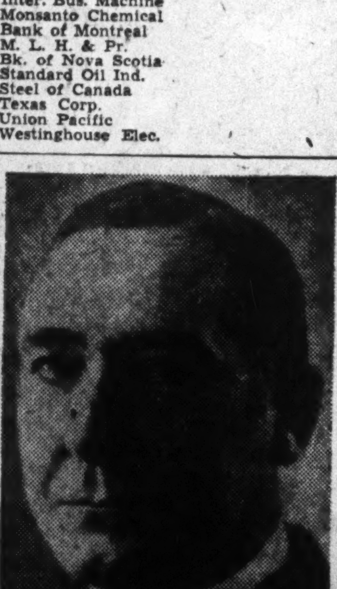
Confederation Life Shifts Portfolio

At the end of 1941 the Confederation Life Association held bonds and debentures having a par value of $95.6 millions, a book value of $94 millions and a market value of $96.1 millions. Comparative figures for the end of 1940 are $88.5 millions, $87.3 millions and $86.9 millions respectively. Market value is $2.1 millions more than book value this year against $400,000 less at the end of 1940.

Preferred and common stocks make up a relatively small proportion of the total portfolio. At the end of 1941 stocks had a book value of $8.4 millions and a market value of $8.9 millions. Book value is up $800,000 from the previous year and market value up $200,000.

A summary of changes made in holdings of preferred and common shares as judged from a comparison of year-end lists follows.

Additions	Deletions
Canadian Utility Bonds	
B. C. Power	Winnipeg Elec., A
B. C. Telephone	
Gatineau, B	
Gatineau, A	
Great Lakes Power	
Maclaren-Quebec	
M. L. H. & Pr.	
Quebec Power	
Shawinigan	
U. S. Utility Bonds	
American Tel. & T.	Appalachian Power
Consumers Power	Detroit Edison
Ohio Power	Indiana Service
	Interstate Power
	Lone Star Gas
	Nevada-Cal. Elec.
	North American
	Portland Gen. Elec.
	Potomac Edison
	San Joaquin L. & P.
Canadian Industrial & Misc. Bonds	
Famous Players	Canada Bread
	Canada Steamship
	City Dairy W'nipeg
	Dryden Paper
	Gypsum, Lime
	Royal Exch. Bldg.
U. S. Industrial & Misc. Bonds	
G. M. A. C. de Mexico	Consolidated Oil
Remington-Rand	Hiram Walker-G. & W.
Shell Union Oil	Wheeling Steel
Canadian & U. S. Stocks	
Preferred	
Candn. Industries	Amer. Tobacco
Consol. Edison N.Y.	Firestone Tire
Inter. Milling	Grt. Lakes Paper
Montgomery Ward	Legare Co.
N. Y. Elec. & Gas	Maple L. Milling
Otis Elevator	National Lead
Pacific Gas & Elec.	Ohio Edison
Quaker Oats	Pub. Service, N.Y.
Phillip Morris	
Tuckett Tobacco	
Union Elec. of Mo.	
U. S. Gypsum	
Abbott Laborator's	
Amer. Cyanamid	
Brown Co.	
Common	
Amer. Tobacco	Donnacona Paper
Amer. Cyanamid, B	Fraser Cos.
Candn. Cotton	Fuller Bldg.
Brown Co.	Great Lakes Paper
Can. Westinghouse	Peel St. Realties
Dow Chemical	Texas Gulf Sulphur
E. I. duPont	Winnipeg Electric
Eastman Kodak	Wm. Wrigley
Freeport Sulphur	
40 Wall St. Corp.	
General Electric	
Inter. Bus. Machine	
Monsanto Chemical	
Bank of Montreal	
M. L. H. & Pr.	
Bk. of Nova Scotia	
Standard Oil Ind.	
Steel of Canada	
Texas Corp.	
Union Pacific	
Westinghouse Elec.	



JOINS B.A. BOARD

L. J. Belnap, Montreal, who has been elected a director of British American Oil Co., succeeding the late Rt. Hon. Arthur B. Purvis. Mr. Belnap is a director of a number of companies and is president of Consolidated Paper Corp.

British American Oil Heads For New Peaks

Sales of all products by British American Oil Co. in 1942 are likely to be in excess of last year's record level, provided the marine transportation situation permits, A. L. Ellsworth, president, told shareholders at the recent annual meeting.

This follows a year when sales of all products were 265.6 million gallons, up 16.88% from the 1940 level, with all products contributing to the increase.

Mr. Ellsworth told the meeting, in reply to a shareholders' question, that later in 1942 the company would have to make provision in part for payment of the cost of the new Clarkson, Ont., refinery. This refinery is now expected to be completed in November. If it is not completed then there will be no necessity for the company to consider additional financing. Last year's increase in fixed assets includes about $750,000 due to money spent at Clarkson.

L. J. Belnap, Montreal, was elected a director of the company, replacing the late Rt. Hon. Arthur B. Purvis.

W. H. Whiteford, newly elected executive vice-president of B.A. Oil, stated that the company's American subsidiaries, British American Oil Producing Co. and Toronto Pipe Line Co., ended 1941 with the largest oil reserve in history and in 1941 produced more oil than in any previous year with the exception of the first two flush years of production in the Oklahoma City field.

New Wyoming Field

A recently completed test well in Wyoming has a potential of about 2,000 bbls. of crude oil per day and a daily allowable production of between 500 and 750 bbls. This well is drilled to a depth of about 6,500 ft.

This test well proved reserves that are of great importance to the company. The company also owns a similar structure to the north of the new field which is regarded as practically proved. Additional development is to be started at once as well as a test well on the second structure.

By one method of estimation of the importance of this new test well, Mr. Whiteford mentioned that a potential of 15 more wells could be expected in the first area with a possible production of 1¼ million bbls. each. In the other area to the north perhaps 20 wells could be expected with a similar aggregate production. None of this is counted by the company in its proved reserves, which are given by Mr. Whiteford at 20 million bbls. of net reserves.

Mr. Whiteford stressed the importance of the 200 miles of pipe line owned and operated by Toronto Pipe Line, all located in areas of strategic importance for supplying crude oil to the parent company's refineries. Purchase of crude oil is becoming increasingly difficult in most U. S. producing areas and particularly in the central interior areas. B.A. Oil, however, is assured of a supply from owned or controlled sources.

New Turner Valley Uses

F. A. Gaby, executive vice-president, reviewed position in Western Canada. The company's absorption plant in Turner Valley is now coming into new prominence as a source of the alkylates required in manufacturing 100 octane gasoline for warplanes. A joint agreement has recently been signed between the Dominion and B.A. Oil and Imperial Oil Ltd. to supply this alkylate to the Government to be manufactured in a plant under construction at present at Calgary.

B. A. Oil now has contracts for production from 81 crude oil wells in Turner Valley of which 69 are producing. Last year the company received 2,617,479 bbls. out of a total Turner Valley crude oil production of 9,615,521 bbls. During the first three months of 1942, the company received 806,982 bbls., a daily average of 8,960 bbls. In view of allowables and distribution of crude oil by the Oil Controller to all western Canadian refineries, it received a total of 693,499 bbls., or 7,705 bbls., daily, for its Calgary and Moose Jaw refineries. Last year's sales in western Canada required a daily average of 7,786 bbls. of crude. The crude oil supply from Turner Valley, supplemented from Montana through Toronto Pipe Line, will enable B. A. Oil to extend delivery limits of refined products farther east, thus compensating to some extent for loss of crude supplies in the east.

Eastern Position Worse

Regarding crude oil supplies for the company's eastern refineries, A. L. Ellsworth was less optimistic. The company's U. S. subsidiaries will produce its requirements but the oil must be transported by water over the greater part of the distance from the oil fields to the refineries. The Atlantic route is now many days longer due to necessity of avoiding submarines which has the same effect as reducing number of tankers in service. He emphasized that this was not a hazard faced by B. A. Oil alone as all eastern Canadian refineries, with the exception of those in Ontario, are served by waterborne oil from South America or the Gulf of Mexico.

Mr. Ellsworth told shareholders that the company now operates 653 trucks, trailers and automobiles compared with 623 a year earlier. It required 586 tank cars, of which 279 were owned and the rest leased, to transport its products as compared with 471 in 1940. Payrolls last year totalled $3.5 millions, up $350,000 from the previous year.

The company collected on behalf of the Dominion and provincial governments in 1941 a total of $12.4 millions in gasoline taxes against $8.2 millions in 1940. It paid to the Dominion, provincial and municipal governments as an expense of doing business $6.1 millions, or the equivalent of $2.20 a share on its outstanding stock against $1.66 a share paid in 1940. At the end of the year B. A. Oil had 18,841 shareholders, of whom over 96% reside in Canada and own more than 85% of the company's shares.

Significant Investors' Index Numbers

No. of Securities	Mach. and equip. 8	Pulp and paper 7	Milling 3	Oils 4	Textiles and clothing 10	Feed and allied prod. 12	Beverages 7	Bldg. mater. 15	Power and traction 15	Banks 8	Total utilities 19	Total co's. 95
(Base 1935-39=100)												
1929-41:*												
High	345.7	564.5	322.3	212.5	168.2	123.2	163.1	202.1	297.5	160.9	329.3	180.5
Low	68.5	49.8	63.4	46.5	76.0	76.9	67.0	71.2	60.3	84.6	65.2	63.9
1942: Monthly Figures:												
Jan.	74.3	71.9	74.5	45.9	112.8	88.7	99.2	75.1	64.4	91.1	70.4	66.8
Feb.	73.4	69.3	69.7	43.6	108.7	85.5	96.3	73.9	62.1	91.1	67.7	64.7
Mar.	69.7	66.1	70.9	41.2	104.3	75.8	92.8	74.0	62.0	89.4	67.5	62.3
1942: Weekly Figures:												
Apr. 2	69.9	65.3	69.3	41.3	103.3	72.6	93.3	75.0	61.6	88.9	67.2	62.0
Apr. 9	69.4	65.3	69.6	42.1	100.9	73.4	94.7	75.1	61.6	88.9	67.6	62.0
Apr. 16	70.4	63.2	69.6	41.0	101.6	72.5	93.1	72.8	60.0	88.7	65.9	60.6
Apr. 23	71.3	62.7	69.6	41.1	103.1	75.5	92.8	73.9	59.6	88.6	66.0	61.0

*High and low for years from 1929 to 1941 inclusive are based on weekly figures issued by Dominion Bureau of Statistics. For 1929 to 1938 inclusive the base is 1926=100; for 1939 and subsequent years the base is 1935-39=100.

Toronto Stock Exchange Index

	20 Indust.	20 Golds	10 B.M.	15 W.O.
Apr. 28	80.03	61.04	61.29	16.09
Apr. 27	80.38	61.22	61.69	16.18
Apr. 25	80.28	61.16	61.57	16.19
Apr. 24	80.23	61.34	61.53	16.19
Apr. 23	80.76	61.63	61.56	16.23
Apr. 22	80.79	61.89	61.92	16.30
Month ago	81.25	65.76	63.39	16.41
Year ago	88.82	97.92	62.18	17.76
High 1942	93.50	83.71	71.01	18.86
Low 1942	80.03	61.04	61.29	16.01

Montreal Stock Exchange Averages

	10 Util.	20 Ind.	30 Chd.	10 Pprs.	15 Golds
Apr. 28	39.6	55.4	50.1	58.06	37.63
Apr. 27	39.9	55.5	50.3	57.83	37.63
Apr. 25	40.0	55.6	50.4	58.54	37.55
Apr. 24	39.9	55.4	50.2	58.54	37.38
Apr. 23	40.2	55.3	50.3	59.43	36.94
Apr. 22	40.4	55.3	50.3	58.91	37.03
Month ago	41.5	56.3	51.3	65.50	40.68
Year ago	44.8	54.4	51.2	62.54	74.85
High 1942	43.6	60.5	54.7	77.18	54.82
Low 1942	39.6	55.0	50.0	57.83	36.94

Careless Spending Must Cease

To spend money for anything not positively needed, when Canada so urgently requires to borrow that money for war purposes is, to say the least, an evasion of national duty.

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Trends IN INVESTMENT

One effect of the recent Wartime Prices and Trade Board order prohibiting any manufacturer or wholesaler from selling goods to any consumer is an over-all increase in the amount of money which the consumer must pay for his goods. It supports a point previously made in The Financial Post that a number of concealed price increases would take place even under a rigid price ceiling, one of which would be the disappearance of the common practice of granting discounts to favored consumers by banning manufacturing and wholesaling organizations.

* * *

Although the order referred to may not affect a very substantial portion of the total retail volume, its ultimate effect should be to help the retailer through assuring that purchases formerly made by consumers for their own use direct from manufacturers or wholesalers will now have to be made through the retail outlets.

E. G. Burton, retail trade administrator, for the W. P. T. B. explains, however, that manufacturers and wholesalers can still sell direct to such institutions as hotels, old people's homes, hospitals or charitable organizations such as the Red Cross.

* * *

Position of foreign oil companies operating in Central and South America appeared to be jeopardized not so long ago by the unfavorable attitude of certain countries. Perhaps this is becoming less true now. Evidence to this effect might be noted in the recent announcement of a final settlement of long standing controversial subjects of this nature. Mexico, which seized foreign-owned oil properties several years ago, has finally completed a deal whereby United States interests will be recompensed for the properties taken over. Bolivia a few years ago took over Standard Oil of New Jersey's interest in that country. Quite recently Bolivia paid Standard Oil $1.7 million in settlement of the latter's claim.

Chief Canadian interest in this situation is through International Petroleum Co. which so far has always been able to maintain satisfactory relations with governments of Peru and Colombia where its main interests lie.

* * *

Newsprint stockholders, like holders of bonds of this important group, have an interest in proposals for shifting electric power from newsprint companies to production of aluminum. The immediate position of their companies may be seriously affected but probably not to as great an extent as popularly supposed. What the situation actually is is made clear by a feature story on another page of The Financial Post.

Montreal Stock Exchange and Curb listed stocks registered a further decline in value during March. Aggregate value of the securities at the end of the month was $3,572 millions, compared with a drop of $456 millions from that reported a year ago. Current figures are the lowest reached since May, 1941.

Market Opinions

Barron's N.Y.— (The Trader)—A spirit of hopelessness and bewilderment pervades the market-place. The average investor and speculator is left to conclude that any stock purchase must bring with it an inevitable loss. To the realist the market will have to rally convincingly and retain its strength before an effective buying power prevails. Sentiment is as completely defeatist as it was in 1932, when stocks for no good reason turned about after almost three years of heart-breaking decline. What caused the upturn of a decade ago was the gradual realization of the appealing spread between yields obtainable from industrial stocks as compared with the return from high grade bonds. At that time the spread was about 5⅜%. Today the disparity is almost as great, or 5%. The cause of the latest stock market weakness has unquestionably been fear of what the President has in mind with respect to freezing prices, limiting salaries and incomes and the whole subject of taxation.

* * *

Brookmire Counselor (N.Y.)—Recent events have not altered the effectiveness of a middle-of-the-road policy. A prudent course still requires keeping back some cash, while the industrial expansion and prevailing low levels of stock prices warrant clients in retaining present holdings of dynamic stocks.

Just Out! —
Current Number of
THE
QUARTERLY
REVIEW
OF
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THE FIGHT AGAINST INFLATION IN TOTAL WAR
—Dr. Antonin Basch of Brown University, and noted Czech economist
SALVAGE IS FUN!
—George McDowell, Purchasing Agent
COLLECTIVE BARGAINING
—Angus MacInnis, M.P.
THE "SMALL BUSINESS" PROBLEM IN AN ALL-OUT WAR ECONOMY
—E. C. Shoup of U. S. Dept. of Commerce, Washington.
WE MUST MANAGE
—J. W. Horsey, President, Dominion Stores, Ltd.
THE DEVELOPMENT OF SUPERVISORY AND EXECUTIVE TALENT TO MEET THE EMERGENCY
—H. L'Ecuyer, University of Western Ontario.
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Ottawa Plans Shape of Loans to Come

Add Modified Tap Loan to Present Blitz Campaigns

By W. BRUCE MacKINNON

Post - mortem discussions of Canada's fourth and most successful public loan of the war have been a major object of interest since the end of the loan.

Most significant addition is the institution of a modified "tap" loan technique in the selling of victory bonds. Bonds of $50 and $100 denomination will be offered between the major loan campaigns. Also tending to strengthen the tap loan system will be the "probable" sale of war savings certificates over the counters of chartered banks. War savings stamps will be sold in a larger number of retail shops.

Hitherto, the only true "tap" loan in Canada has been the sale of war savings certificates. As distinct from the Victory bonds which can only be bought new at specific periods, tap loans can be publicly purchased at any time.

Underlying all current questions of future policy is the basic fact that Canada's economic structure has undergone a major change between the period of the First Victory Loan last June and the Second Victory Loan in February.

"Underwriting" Out

For the general public, the best evidence of the changing picture was in the comparative ease with which the Second Victory Loan achieved two thirds more than its original objective. Despite a peculiarly unfavorable time of year for national campaigns, a time when many back areas were cut off from intensive canvassing, many Victory Loan organizers reported that success was assured within a week.

Among the major changes brought by the sudden success of the Second Victory Loan was the attitude toward "underwriting" the issue by large investors. Briefly, "underwriting" in this sense of the word involved the purchase of larger amounts of bonds than the investor was able to hold permanently in his bond portfolio.

Early Needs

Flotation of the Second War Loan, in Sept., 1940, for example, came at a time when many investors were low in cash resources. The First Loan in January had mopped up most of the idle cash, and the first impact of war orders and rising employment had used up much of the remainder of industry's liquid assets, without as yet bringing substantial payments for goods produced. Capital was tied up in work in process and in plant expansion. Actual production, and hence the payment for munitions produced, was still a trickle.

But it was clear that this shortage of cash would be temporary, that within a period of months the production and payments would start to roll and there would again be surpluses for investment. In such a setting, the bond buyer who took more than his currently justifiable quota had an excellent chance of being able to pay for it later, or that there would be other buyers coming into the market if he did not do so himself. To some extent, the tacit encouragement of "underwriting" continued into the First Victory Loan, was not scrapped until the February drive.

Constructive Influence

That the underwriters' activities had no ill effects is attested in the record of the long-term bond holdings of the Bank of Canada. As monitor of the bond market, the Bank's portfolio of "longs," tends to rise when selling pressure is general, to fall or remain stable in a healthy market. Occasionally the figures are upset by a lengthening of maturity on a "short" bringing it automatically into the long portfolio.

In 1941, allowing for a lengthening of maturity on some $100 millions of shorts, the Bank's long-term holdings actually dropped some $9 millions. At a time when the Dominion's debt increased around $1,000 millions in a year, the Bank's record gives every sign of a healthy market.

But with the imposition of price ceilings, wage and salary ceilings, continued pressure of excess profits and other taxes, loss of earnings through shortages and priorities, it is doubtful if Canada's national income will show much if any further gain this year.

Income Ceiling

With income gains probably wiped out for the duration, the market for underwritten bonds between loans stands a good chance of disappearing. Inference is that any bonds bought in excess of the country's current investing power would ultimately have to be bought back through the Bank of Canada. Underwriting in these circumstances would only serve to inflate the initial sales of the loans, would bring a glutted market after.

Early in the Second Victory Loan, this change in underlying conditions is reported to have brought an order against further underwriting of the loan. Emphasis in future will likely be on purchase what can be kept and no more. Increasingly the objective is expected to be the addition of regular buyers on payroll plans, budgeted investment by larger buyers on the basis of advance estimates of investment surpluses.

For the first time, large-scale publicity has been devoted to urging buyers to hold on to their bonds, a direct antithesis to the principle of buying all one's credit will stand, selling a few bonds later if necessary.

"Tap" versus "Blitz"

Out of the same set of circumstances has come the revival of discussion of the tap loan system, resulting in the present compromise between the continuous offering of bonds and the "blitz" type of drive which has been the rule in Canada. Britain and the United States both rely on the tap loan system almost entirely for their public borrowings.

The majority of bond men contacted by The Financial Post still prefer the present "blitz" Victory Loan drives to the tap system.

They point out that the tap loan works well for the small buyer, if it is adequately supported by continuing publicity. But the costs of publicity to maintain the enthusiasm of the nation are regarded as out of all proportion to the results achieved. In addition, the tap loan places year-round responsibility for contacts on the loan organization as contrasted with the month or two required to put over a blitz loan.

The absence of loan organizers from their firms for longer period might involve serious changes for the bond market. Under present conditions, the eight to ten months left over from loan campaigns is sufficient to maintain more or less normal trading in the bond markets. A tap loan would clearly indicate almost complete cessation of trading by the firms involved in the year-round setup.

"War Weapons" Weeks

Supporters of tap loans point out that a number of these arguments can be disposed of in much the same way as in Britain. Admitting that nation-wide publicity costs would be heavy if maintained over a period, the tap boosters point out that steady publicity pressure is not needed, that a good national selling job can be done piecemeal.

Method would be basically similar to last fall's War Weapons campaign of the war savings programme. Instead of tackling the nation simultaneously, picked publicity and organizing teams would invade each area separately, conduct a blitz loan drive and move on to the next. Permanent local committees would look after the continuing organization and service problems.

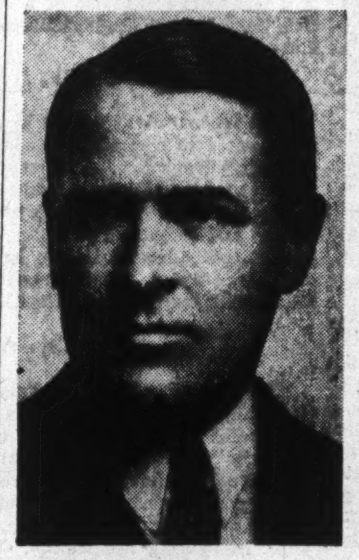
Tending to support the tap loan boosters is the talk of tieing the coming war savings programme in with a similar drive in the United States. Name of the U. S. Defense Bonds and stamps has been against them, and a new and more positive label, "War Savings Bonds," will be used in the coming campaign. The Canadian securities with the same name would benefit from any publicity which might pass across the international boundary.

To date, the most cogent argument against changing from the blitz type of campaign is its outstanding success in Canada. In the Second Victory Loan, presumably the product of eight months' savings since the First Victory, enough was borrowed to meet two thirds of the probable deficit for the coming year. Since national income was still below its peak in the eight months preceding the loan, it appears likely that a similar loan in the fall might bring an equally large response.

If that proves to be correct, Canada's war lending would have succeeded in closing the entire inflationary gap between government spending and income—a feat still to be achieved in either Britain or the United States.

PRESIDENT

J. G. Godsoe has been elected president of the Canadian Club of Toronto for the ensuing year. Mr. Godsoe is assistant general manager of the Confederation Life Association.



NEW CHAIRMAN

A. C. Ashforth, manager of the main branch of The Dominion Bank, was elected chairman of the Toronto Board of Trade Club at the annual meeting on April 27.

Big Reconstruction Job Foreseen by Ford Head

Hope that in the postwar period every effort will be made to reorganize Canada's greatly expanded industrial capacities to peaceful pursuits to provide continued employment for those already in industry and also for those returning from the armed forces was expressed by W. R. Campbell, president of Ford of Canada at the recent annual meeting of shareholders.

Mr. Campbell does not see any possibility of an early end of the war but expressed strong concern regarding postwar reconstruction in this country.

Build New World

He said the war would mark the end of an epoch and stated that it is neither feasible nor desirable to attempt to rebuild the world as it was in 1939.

Canada will probably be more affected by these upheavals than most countries because of our dependence on peaceful international trade. He drew attention to the growing proportion of labor and income required for public purposes and the marked trend toward governmental control, and direction of all economic activities.

"Whether these developments are to be only temporary expedients necessary in the prosecution of the war, or whether they may become more lasting factors affecting the future operations of private enterprise is a matter for serious concern by those charged with the management of business throughout this era," said Mr. Campbell.

Civilian Production Halted

He told shareholders that civilian production, except for buses, and replacement parts, had been discontinued. The Windsor plant is fully engaged on war production as are Overseas subsidiaries to the full extent of their facilities.

In 1941 the company produced the greatest range of products and largest volume of output in its history. Gross receipts from sales totalled $129.6 millions, an increase of 51% over 1940. Operating profit of the company in 1941, before taxes, was equivalent to 3.4% of total sales volume as compared with 4.7% in 1940.

New Directors

C. E. Sorenson, Detroit, and J. E. Potter, Windsor, were added to the board of directors at the annual meeting, and subsequently made vice-presidents, replacing G. E. Dickert and P. E. Martin, both of whom have resigned. Mr. Sorenson is vice-president of Ford Motor Co. (U. S.) and Mr. Potter has been general superintendent of plant operations of the Canadian company.

D. B. Greig, formerly secretary and assistant treasurer, has been appointed treasurer of Ford of Canada, an office formerly held by W. R. Campbell in addition to the presidency. G. G. Kew, assistant secretary and assistant treasurer becomes secretary, succeeding Mr. Greig, and F. G. Batters becomes assistant secretary.

Dom. Engineering Awaits Tax Ruling

No Action on Dividend Until Tax Liability Decided by Ottawa

From Our Own Correspondent

MONTREAL.—Until the liability under the income and excess profits tax acts has been established, directors of the Dominion Engineering Works will be unable to give consideration to the question of dividends, according to W. F. Angus, president, at the annual meeting.

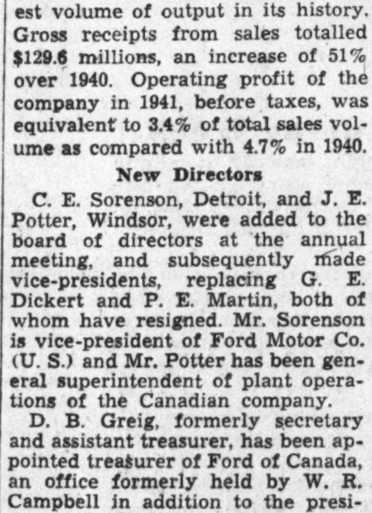
Supplementing his report, Mr. Angus stated the plant at Longueuil, being operated on behalf of the government, is in full production, with output ahead of original schedules. Plant at Lachine continues extremely busy manufacturing a large variety of products for the armed forces.

At a special meeting held before the general meeting, a resolution was adopted confirming by-law 27, which provides for a reduction in board from 15 to 12 members.

Bond Tenders

7 p.m., May 2, La Corp. du Village de la Baie Shawinigan, P.Q.—$35,000, 4% dated June 1, 1942, redeemable serially in 20 years. W. Chietien, sec.-treas.

3 p.m. May 4, Sherbrooke, P.Q.—$250,000, 3½%, dated Feb. 1, 1942, redeemable serially from Feb. 1, 1943 to Feb. 1, 1962. Ant. Deslauriers, clerk.



PAINT DIRECTOR

J. M. Pritchard, president of McColl-Frontenac Oil Co., who has been elected a director of Brandram-Henderson Ltd.

—Blank Stoller photo.

JOINS BANK BOARD

J. V. R. Porteous, president of Greenshields, Hodgson, Racine Ltd., Montreal, who has been elected to the board of directors of the Bank of Montreal.

Can. Breweries Plan Adopted

E. P. Taylor Forecasts Greater 1942 Profits at Annual Meeting

Shareholders of Canadian Breweries Ltd. approved the plan for elimination of arrears on preference stock at the recent annual meeting. Under this plan arrears of $6.75 a share were cancelled in return for an increase in the annual divided rate from $3 a share to $3.40 a share and an increase in the redemption price to $46.75 a share from $40 a share.

Profits for the first six months of the current fiscal year will be greater in the like period of last year, E. P. Taylor, president, told shareholders. He added that profits for this year should exceed last year's in spite of increased operating costs and taxes, so far as could be seen at present.

Export of beer to the British forces in war zones, undertaken at the request of the British government, involves special packing and profit margin is small.

The company has declared a dividend of 85 cents a share on its preference stock, payable July 2, 1942, to shareholders on record June 15. This is the first payment to be made at the new $3.40 a share annual rate.

Dominion - Scottish Investments declared a dividend of $1 a share on its preference stock, payable June 1, 1942, to shareholders of record May 20. After giving effect to this payment, arrears on this stock will amount to $5.75 a share, as compared with $6.125 a share after the payment of 50c made March 2 last.

Bond MARKETS

Newsprint bonds have been victims of many difficulties during their history. Latest is the indication that growing power shortage, coupled with much greater need for power to make the war-vital metal, aluminum, is going to mean diversion of some of the electric power now used by newsprint mills to Aluminum Co. of Canada.

Since newsprint mills cannot operate without this power, such an event is a distinct threat to the earning power of a number of the companies. Not all of them will be affected directly but particular emphasis will be placed on the Quebec operators.

What this may mean to holders of newsprint bonds and stocks, which companies may be affected and to what extent, is all explained in a special article elsewhere in this issue of The Financial Post. It will go a long way to end the uncertainty which has been a hindrance to satisfactory market performance of this industry recently.

• • •

Provincial financing is again in the wind, according to the rumors of the bond markets. Reports indicate that Quebec province may be in the market for a substantial amount of money in the near future. Ontario Hydro recently arranged the financing for a $10 millions maturity through private sale with Bank of Montreal taking the entire issue, according to reports. New Brunswick is also said to have arranged a substantial deal which, it is understood, was largely a re-arrangement of sinking funds involving a large amount of securities. No official announcement is expected.

• • •

Roman Catholic Separate School bonds received another knock recently when Ottawa R.C. schools wrote debenture holders asking for interest and sinking fund concessions involving reduction in rate of interest to 2%. The Ottawa separate schools have been on the verge of default for the past few months and have now apparently reached the end of their resources. Another case is that of Windsor where no satisfactory arrangement has yet been made with the separate school board.

In a number of places, it is suggested the Ottawa action may force the whole matter of separate school finances in Ontario into the open. Investors have been reluctant to buy these securities for a number of years and there seems considerable indignation at the failure of Canada's capital city to provide for this obligation at a time of generally excellent municipal finances.

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FEATURES
in the May issue
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Exchequer court judgment in Kellogg case
The rubber problem
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CONSOLIDATED BALANCE SHEET

as at December 31, 1941

ASSETS

Current and Working Assets:			
Cash at Banks and on hand		$ 1,463,460.22	
Accounts Receivable less Reserve		1,854,701.83	
Insurance unexpired and prepaid items		295,735.83	
Employees' Housing Loans, Mortgages, etc.		67,370.17	
Stores, Materials and Supplies, determined as to quantities by book inventories confirmed annually by physical count or measurement, valued at average cost		1,883,298.07	
			$ 5,564,566.12
Investments:			
Corporation's shares purchased by Subsidiaries for re-sale to customers and employees (Market value December 31, 1941—$334,852.37)		$ 666,539.77	
City of Vancouver 3% Instalment Debentures, at cost		94,176.00	
			760,715.77
Bond Refunding Expense:			
Premium and exchange on bonds redeemed, bond conversion expenses and discount—less amounts written off			1,257,424.45
Property Account:			
Book values which represent the cost of acquisition, and the cost of subsequent additions, including discount on bonds of $728,670.56 which is charged to Construction Accounts of Subsidiaries		$146,436,529.98	
Less Provision for Depreciation and Renewals		31,608,871.33	
			114,827,658.65
			$122,410,364.99

Note: An appraisal of the properties of the British Columbia Power Corporation Limited and its subsidiaries, made by Stone & Webster Engineering Corporation of Boston, Massachusetts, as of December 31, 1936, shows a total replacement cost as at that date (after a deduction for existing physical depreciation) of $131,802,312. This foregoing total includes an amount of $15,000,000 for going concern value.

The balance in the Property Account as at December 31, 1936, after deducting the reserve for Depreciation was $113,739,799.32.

LIABILITIES

Current and Accrued Liabilities:			
Accounts Payable		$ 1,463,423.86	
Reserve for Taxes on Income and other Taxes (After a prepayment of $460,000 on 1941 Taxes on Income)		2,068,195.40	
Debenture and Bond Interest accrued		503,179.87	
Dividends declared, since paid		735,920.00	
			$ 4,770,719.13
Bond Debt			37,607,624.50
Capital Stocks of Subsidiaries Held by Public:			
British Columbia Electric Railway Co., Ltd.—5% Cumulative Perpetual Preference Stock		$ 6,984,000.00	
British Columbia Electric Power & Gas Co. Ltd.—6% Cumulative Preference Shares		5,000,000.00	
The Company has the right to redeem these 6% Preference Shares with a premium of 5% subject to the sanction of The Supreme Court of British Columbia.			
Minority Shareholders of Subsidiaries		3,446.25	
			11,987,446.25
Reserves:			
General Contingent and Accident			1,510,297.33
Capital:			
Authorized—1,500,000 Class "A" Shares without nominal or par value entitled in each fiscal year to non-cumulative preferential dividends aggregating $2.00 per share and equal participation with Class "B" Shares up to a further $3.00 per share, redeemable at any time on resolution of Directors at $100.00 per share. 1,500,000 Class "B" Shares without nominal or par value.			
Issued—1,000,000 Class "A" Shares and 1,000,000 Class "B" Shares issued for a total cash consideration of		$59,250,000.00	
Capital Surplus:			
Surpluses of Subsidiaries as at May 19, 1928, the date of the acquisition of their Capital Stocks by the Corporation		6,115,764.59	
Earned Surplus:			
Balance as at January 1, 1941	$ 1,095,753.83		
Add—Balance transferred from Consolidated Income Account	72,759.36		
		1,168,513.19	
			66,534,277.78
			$122,410,364.99

Approved on behalf of the Board: { W. G. MURRIN, Director. J. W. SPENCER, Director.

AUDITORS' REPORT TO THE SHAREHOLDERS

We have made an examination of the books and accounts of the British Columbia Power Corporation Limited and its Subsidiary Companies for the year ending December 31, 1941, and have obtained all the information and explanations which we have required, and we report that, in our opinion, the above Consolidated Balance Sheet at December 31, 1941, is properly drawn up so as to exhibit a true and correct view of the state of the combined affairs of the Corporation and its Subsidiary Companies, according to the best of our information and the explanations given to us and as shown by the books of the Companies.

PRICE, WATERHOUSE & CO.
Chartered Accountants.

Vancouver, B.C., March 17, 1942.

CONSOLIDATED INCOME ACCOUNT

for the Year Ending December 31, 1941

Gross Revenue from Operations		$ 18,701,685.40
Deduct—Expenses:		
Operation and Maintenance, including Property Taxes	$ 9,123,658.70	
Legal Fees and Executive Remuneration	95,090.68	
Directors' Fees	21,000.00	
Provision for Accidents	120,000.00	
Provision for Contingencies	150,000.00	
Provision for Depreciation and Renewals	2,549,751.21	
Provision for Taxes on Income	2,379,400.00	
		14,438,900.59
Operating Income		$ 4,262,784.81
Add—Income from Investments	$ 37,976.34	
Less—Loss on Sale of Investments	10,596.25	
		27,380.09
		$ 4,290,164.90
Deduct—Interest on Bond Debt	$ 1,520,555.00	
Bond Refunding Expense written off	75,010.54	
		1,595,565.54
		$ 2,694,599.36
Deduct—Dividends on Preference Stocks of Subsidiaries:		
5% Cumulative Perpetual Preference Stock	$ 321,840.00	
6% Cumulative Preference Shares	300,000.00	
		621,840.00
		$ 2,072,759.36
Deduct—Dividends on Class "A" Shares for the year ending December 31, 1941		2,000,000.00
Balance transferred to Earned Surplus Account		$ 72,759.36

The Editorial Page . .

What About Tourists?

It is common knowledge at Ottawa that the promotion of tourism, so far as the government is concerned, has fallen as dead as the proverbial Dodo within the past two months.

A moderate campaign of publicity for Canada in the United States, planned to foster goodwill and understanding of present-day conditions, has been hanging fire for six or eight weeks. Fearful of being misunderstood, the government has done nothing, or, more precisely, has been unable to make up its mind what it should do.

Obviously our American friends cannot be asked this year to come and throw away mileage, burn up gas and tires along our highways under the critical conditions which now prevail. But wouldn't it be the best possible common and business sense to tell our good friends how much we will miss them if they do have to stay home? Tell them how much we would like to see them if they can get away? Tell them about our thousands of lakes and rivers that are still ready and waiting to be enjoyed even though there isn't much gas or rubber available? Remind them of the good old days (now returning) when these grand holiday resorts were reached by steamer and rail and summer holidays could be enjoyed in leisure and relaxation without the hurly-burly of look-and-run weekenders.

Some of Canada's famous resorts are anticipating one of the best tourist seasons in many years. There is admittedly plenty of purchasing power and adequate reason for relaxation on the part of those who can break away even for a short time from war's imperious demands. No country has a better opportunity to take advantage of the present situation than Canada, for no country is so honeycombed with beautiful spots which can be reached without gas or rubber.

Why then aren't we doing something about it? Why are we not making a virtue out of the necessities which have descended upon us? Why aren't we at least putting out best sales foot forward?

As well, why aren't we taking this opportunity to foster better understanding and goodwill between the two countries? The tourist messages which Canada has sent by the million to United States in years past, have played an important part toward better relationships and entente between the two countries. Never were they more needed than at the present time.

Has the Minister of National War Services forgotten that one of his jobs—one of the few, important jobs he has left—is the promotion of tourism?

No Agricultural Voice

On the industrial front the government has shown little hesitation in drafting the best practical brains available for direction and advice and after a little early delay some of which was inevitable. the job of providing fighting equipment is proceeding vigorously and on the whole commendably. Not so praiseworthy has been the development along the food front. Yet this is fully as important as the other.

Napoleon's shrewd commentary about an army moving on its stomach, applies as well in a Blitzkrieg type of war today as 140 year ago—perhaps more so. Soldiers and civilians must have food, and the right kind of food if they are to fight.

Today, Canada's food front is not functioning fully. We have enough of certain staples like wheat, but we have not enough of concentrated fats, meats and other products rich in vitamins, and we have not nearly enough of industrial agricultural products that can be used to make up the deficiencies in oil, rubber, alcohol, etc.

Our farmers are hampered by an acute labor shortage, they are hampered by lack of a definite programme of production. Too late the authorities at Ottawa have realized that certain changes must be made in our whole agricultural economy if maximum production of the right kind of food and other farm output is to be achieved.

We are only now beginning to reorient Canadian farming to meet the drastic alterations in the general picture wrought by the Japanese conquest of raw material sources, chiefly tin and vegetable oils. Yet with relations in the Pacific area strained from the very start of the war, it was evident that upsets were possible. It would only have been simple prudence to have taken some steps to guard against them. Now we are faced with radical changes and changes in agriculture, more than in ordinary industry, require time and planning.

Our agricultural authorities cannot plead ignorance for the situation in which they find themselves today. There have been repeated warnings in the farm press in Canada, there have been warnings and suggestions from practical farmers themselves. But these have been largely ignored and Ottawa chose instead to listen almost exclusively to leaders of farm political and other special pressure groups.

We have lost much vital time and large potential production by withholding announcement of a coarse grain and flax programme for western Canada until seeding had almost started this spring. Solution of our pressing farm labor problems still remain largely in the talking stage. Only a little over a year ago there were production consuming controversies over bacon, butter and cheese yet today there are very grave doubts whether we can fill present demands for these products.

Seldom has the voice of the practical farmer been heard at Ottawa since the war, yet he is practically the only authority who from actual experience knows just what our land and equipment will produce and how much labor and time is required to produce it. Those in charge of Canada's agricultural programme at Ottawa might well heed the example of those directing our industrial war effort and give practical agriculture a greater voice on their various planning boards.

The Financial Post's Platform For War

1. *Effective mobilization of all resources, materials, productive capacity and man power, without reservation, for an all-out war effort.*
2. *A national cabinet, representative of all loyal groups, and consisting of Canada's ablest brains.*
3. *An inner war cabinet, free from departmental duties, to plan the nation's war effort and to see that the plans are carried out.*
4. *A non-political industrial executive to organize and direct procurement of war supply.*
5. *Pay-as-we-go policy, to the very limit consistent with an all-out war effort, to avert inflation.*
6. *Elimination of wasteful spending by public bodies or private individuals.*
7. *A national programme to deal with post-war employment and relief problems.*

Who Pays War Cost?

The Canadian taxpayer at least, knows that modern war costs money and before this conflict is over he will be even more aware of this stark fact.

Back in the last full year of peace the fiscal year that ended March, 1939, total revenue of the Dominion Government was approximately $435 millions. Of this, only 35% was paid in direct taxes, almost entirely in personal and corporation income levies. The remainder was furnished in customs and excise duties and sales taxes. These also came from the taxpayer's pocket certainly, but only indirectly and very often without the ultimate payer being aware of his contribution.

The situation is different now.

Today direct contributions to the federal treasury amount to over 49% of the vastly increased total now levied, and it is generally expected that before the new fiscal year which ends next March, the proportion will be increased again probably through a mark up in the National Defense Tax.

In the last fiscal year, total government revenue amounted to $1,340 millions. Of this, well over $650 millions was derived from direct taxes. This was paid almost entirely in cheques made out by the taxpayer himself to the Receiver General for Canada.

This time the taxpayer is left in no doubt as to the cost of war and who is paying the bills.

Dangerous Divided Authority

Undoubtedly the least developed phase of Canada's war effort is the streamlining of government to meet the needs of totalitarian war.

Last week, the city of Toronto rejected the application of half a dozen Japanese families to move in from the coast for the duration. No one can blame Toronto or any other Canadian town for exercising any rights it may have to prevent the entry of potentially dangerous individuals. It is obvious that any city with important war industries should not become a refuge for Japanese, Germans or Italians where there is any possibility of sabotage.

But the fact remains that so long as the locating of aliens is left to local authorities, it is difficult to imagine what elected body would willingly undertake to invite their entry. As matters stand the alien problem is in the hands of Dominion, provincial and municipal authorities, which means that three times as many executive decisions are involved as should be really needed.

The same condition has bedevilled A.R.P. work and will almost certainly crop up again as new problems arise. Local authorities can, and from their own point of view often must, take steps which thwart the completion of larger aims.

This dispersion of authority may work well enough in peacetime; it may function passably while the fighting is distant—but what would it bring if the enemy broke through the outer defenses as they did in France?

Editorials in Brief

The authorities were right in taking some disciplinary action regarding the 400 Canadian Air Force men who refused to sail on a dirty boat for overseas, but it is to be hoped they have also taken action to prevent a repetition of these dirty boats in future. There is not the slightest excuse for the filthy, unsanitary transport conditions of a century ago any more than there is for arming the modern soldier with a musket.

* * *

In a recent salvage drive in one large city citizens were asked to sort materials before placing them in their driveways for the collectors. They did so only to find that the collectors made practically no attempt to keep the materials sorted and dumped them together and unprotected in an open park. Later, of course, the collection had to be sorted all over again and by paid help. This is not the way to build up enthusiasm for the war effort.

* * *

Democracy at Work: A very prominent Britisher, now doing war work in Canada and who has occasion to do considerable travel by air, learned American air lines issued "air travel cards." These cards are very handy in that the holder receives credit from any air line on which he is travelling in the United States. This is often very convenient in the case of a hurry-up trip. In making application, the Britisher gave his name and various titles. For obvious reasons his correct name cannot be given, but the application read something like this: "Sir Thomas Jones, K.C.B., K.C.M.G., D.S.O., M.C., etc." His application was attended to with promptness. The air travel card was issued to "Tom Jones."

* * *

A Canadian municipal official the other day warned against a rush into war gardens on the ground that such might start a buying spree of tools and other equipment and thus compete with armament production. One cannot help but suspect that the real reason behind the warning was an attempt to build up an airtight excuse for himself and his fellow men who may have received explicit hints from their wives this spring about how they could spend their Saturday afternoons now that pleasure driving is out.

In theory at least this excuse represents more than the usual ingenuity displayed in domestic diplomacy, but the practical gardener will argue that it does not hold. Of all hobbies, they maintain, gardening requires about the least in equipment and in the average garage or woodshed will be found more than enough tools for the most ambitious undertakings. If necessary, a spade and a rake will be sufficient, plus, of course, the will to use them.

Other People's Views . . . . . .

The Canadian Editorial of the Week

Atlantic Peril

Halifax Herald

Addressing veterans of the first Great War on St. George's Day, Vice-Admiral Nelles, Chief of the Canadian Naval Staff, revealed that "the war in the Atlantic has been hell!" He added:

> "This summer, unless every individual Canadian gives his full support to our war effort, it may get so that shipping may not be allowed to cross the ocean."

We who live by the sea and about one of the world's most important seaports, understand quite clearly what Admiral Nelles means. He is telling us that the task of combatting enemy operations in the Atlantic, particularly the submarine and airplane, is a formidable one—and he is warning us that we dare not take any complacent view of this peril and menace.

In the last war the Allies were almost beaten by the U-boat: the figures of sinkings for the first half of 1917 were appalling. In this war the work of the submarine has been supplemented and rendered even more deadly by the airplane:

So far in this war, Canadians have not been called upon to meet great ordeals in the field. These ordeals will come. But at sea, as in the air, the war has been fierce and terrible, and we must get it into our consciousness that the men who are fighting this war on the sea, in the Service ships and the Merchant Navy, must be supported to the limit of our ability.

* * *

As Others See Us

Help for the Axis

Fergus (Ont.) Record

The Financial Post had a valuable article about the way the Axis tries to poison public opinion and create disunity among the Allied Nations. It went into details. It cited four things which the Fifth Column publications have played up in the United States, based on Canadian events, real or imaginary. Two of them concern the highway and airways to Alaska, which the Canadian government is said to be trying to block. The third is the plebiscite, which has been twisted to make it appear that Canada is not really doing its share. The fourth is Hepburn's unfortunate speech at Welland about the American Navy being in hiding.

Canadians don't realize how serious these things may be, nor how far Germany will go to invent lies and circulate them.

* * *

The People Are Ready

Midland (Ont.) Free Press

The leadership we have been demanding is coming. Canadian men and women are to be regimented into the war effort. Plans are being definitely laid for the full use of all our man and woman power.

Good. That is as it should be.

The people are ready for it. They have all along been ahead of the government. They have been ready for any sacrifice they have been called upon to make except, of course, that thoughtless percentage who look upon every war restriction as something to beat. Most of us have been willing to do a great deal more, and we have fretted because the government we elected to direct us has seemed to be waiting for us to do the leading.

The Financial Post is right when it says there is nothing seriously wrong with the general public in either the United States or Canada. "The tougher the demands of war upon the civilian population, the keener will be their response."

* * *

Loyal Co-operation

Wolfville Acadian

Decidedly pertinent at the present time are the remarks made by The Financial Post recently, to the reaction of many Canadians to the rationing of certain commodities ordinarily in common use. Hundreds of thousands of them, it says, apparently have not the slightest conception of the real purpose of rationing. Even those who do understand that under war conditions the use of many articles is already or likely in the near future to be limited by law fail in many cases to appreciate the situation appropriately.

We cannot afford to forget that we all have a part to play in this struggle for supremacy and that in greater or lesser degree we are all responsible.

Success depends more upon the loyal co-operation of every consumer than it does upon laws and those appointed to enforce them. Even the argument so often heard that the government is not doing all that it ought in no sense relieves all of us as citizens from making the very best contribution possible. And yet we sometimes hear people boast that they are beating the law.

* * *

Not Forgotten

St. Catharines Standard

The Financial Post names four cities, including Niagara Falls and St. Catharines, with reduced tax rates this year, which means also debt reduction. It is the reverse trend from the last war when big spending was the rule rather than the exception. The depression helped to tighten up municipal financial policies everywhere, and the lesson is not forgotten.

* * *

Financing War Charities

(Acton Free Press)

The Financial Post intimates that there is likelihood of the government financing the entire budget of the United War Service organizations such as the Y. M. C. A., Salvation Army, Canadian Legion Y. W. C. A., Knights of Columbus, I. O. D. E. and Navy League of Canada

Chief reason for this revolutionary step is that Canada's war savings and loan programme has become of such importance and magnitude that it is getting increasingly hazardous to disrupt it for several weeks each year to raise several millions for war services

The proposal would provide for a separate campaign by the Red Cross later in the year—possibly in April or May. It is argued that the Red Cross cannot accept government money without losing its "international" standing.

* * *

The Mail-box

Naming the War

Editor, The Financial Post:

Any way you look at it, this is "The Final War." If Hitler wins, we will know it is "The Final War" for us. If we will to win we can make it "The Final War." Why not make this "The Final War?" It's just that serious.

Vancouver R. Egan.

* * *

Editor, The Financial Post:

I have noticed accounts in recent issues of the effort to find a suitable short, apt name for the current war. I have no suggestions, but how about this for a motto, "FIGHT NOW, OR FOREVER LOSE THE PEACE."

J. S. Vanderploeg.

New Toronto, Ont.

* * *

Editor, The Financial Post:

If President Roosevelt wants a name for the present conflict, why not—"The Battle for Sanctuary."

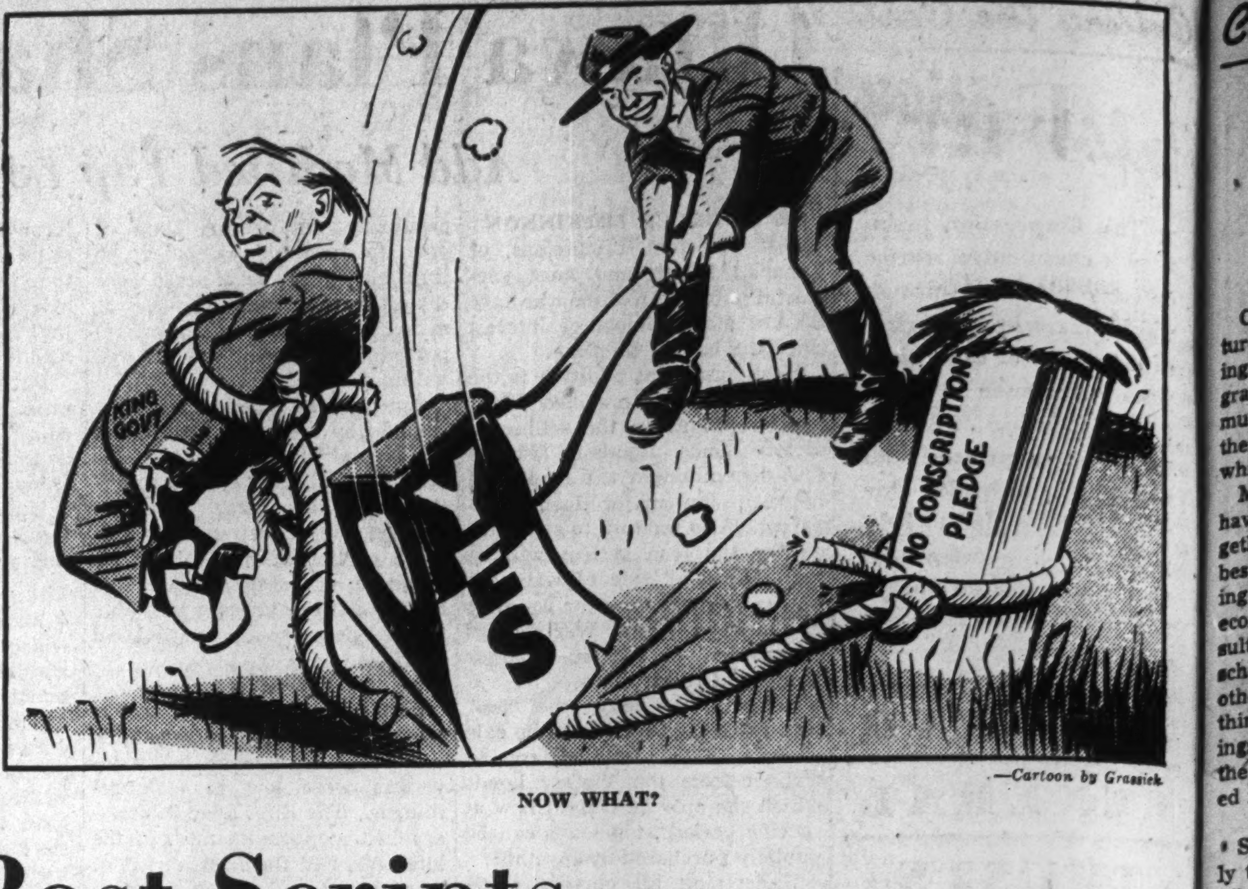
Montreal G. H. Crimes.

Stop Me If . . .

An actor went into an Oriental restaurant where he was fairly well known. After he had finished his meal the proprietor came over and said that he would like to bring in his little son for an introduction.

In came a lad of about six. Patting him on the head the actor turned to the father and remarked: "He's a cute little chap."

Like a flash the boy responded: "I'm no Jap, I'm Chinese!"



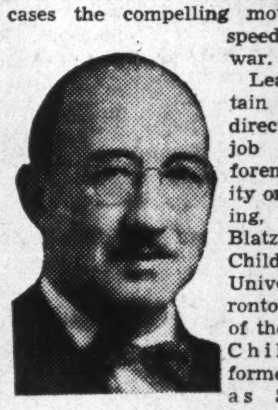
NOW WHAT?

—Cartoon by Grassick

Post-Scripts . . . .

Teachers by Mass Production

Munitions will not be the only product turned out under mass production methods in Britain this year. Nursery school teachers will be another. In both cases the compelling motive for the speed-up is the war.



DR. W. E. BLATZ

Leaving for Britain shortly to direct the teachers job is Canada's foremost authority on child training, Dr. W. E. Blatz, professor of Child Psychology, University of Toronto and Director of the Institute of Child Study, formerly known as St. George's School.

Dr. Blatz will take his staff of five teachers with him. Near one of the big cities in the English Midlands he will set up a school for turning out four or five hundred nursery teachers this summer. Normally such training would require two years, but owing to the war emergency Dr. Blatz and his special staff, who will be temporarily on the British Civil Service list will cut the time to four to six weeks.

The forced evacuation of London and other large cities of besieged Great Britain has resulted in hundreds of thousands of children being separated from their homes. They must be cared for, watched over, trained. The 150 pre-war nursery schools of the Old Country have been unable to cope with the crisis. The privately operated system of training nursery school teachers has likewise proved inadequate. Hence, when Dr. Blatz went over to Britain last winter and offered his services in any capacity, he was asked if he could bring over his staff and turn out a fresh supply of teachers and could he do it in a hurry?

Dr. Blatz will set up a model school for children between the ages of two and five along the lines of his Institute in Toronto. There the English teachers, girls with the equivalent of senior matriculation standing, will get quick and practical instruction. This will be the first time that the British authorities have set up a public system for instruction for nursery school teachers but Dr. Blatz is sure that the system will become permanent after the war.

Dr. Blatz's interest in child training goes back to his own childhood in Hamilton about the beginning of the century. He was the youngest of nine children, all born in Canada, though the parents came from Bavaria in Southern Germany. Young Bill was the official minder for his older sisters' and brothers' offspring. Instead of being bored he became so interested that he decided to follow the job permanently.

His university course in medicine at the University of Toronto was interrupted by 2½ years service with the Medical Corps in the first Great War. After graduation he took postgraduate work at the University of Chicago and Harvard and his Ph.D. at Toronto. He never practised general medicine having specialized in children's mental diseases, For a short time he was a lecturer in psychology at the University of Chicago but came to the U. of T. in 1924 where he has remained. He founded Canada's first public nursery school in 1925 and if he had his way there would be hundreds more of these schools all over the Dominion and the compulsory school age instead of starting at eight, as in most provinces, would commence at the tender age of two.

Dr. Blatz also directs the Windy Ridge Day School in Toronto, which carries children through the age of 10. This school, at first experimental in character but now firmly established, has proved the value of many "progressive" ideas in educational methods and has had an important influence on teaching techniques throughout Canada. One of the rules of the school is that the parents, too, must attend classes. Once a month they come out for an evening under Dr. Blatz. He tells them why children—and parents—act the way they do.

One year he put it up to the parents to learn something new. He himself promised to learn to play the piano. A year later he came back and played a neat little concert piece very gracefully.

Basic principle in both of Dr. Blatz's schools is to avoid a formal curriculum and to do away with the tedious learning "by rote" methods that make children detest school. The first step is to arouse the interest of the children and to guide them just sufficiently to enable them to learn by doing, to learn because they want to learn.

Short, dark and with an ever fresh enthusiasm in his work, Dr. Blatz would pass for a man a dozen years under his actual 46. The average harassed father would hardly believe that his working days have all been passed among boisterous youngsters.

Children do not bother Dr. Blatz because he understands them. He has written numerous books and articles in the field of child psychology, including some gravely scientific works on the Dionne Quints. His books have made him world famous among psychologists and educationists.

* * *

Sayings of the Week

"I do not regard seniority as being a governing factor in connection with appointments to commands."—*Hon. J. L. Ralston, Minister of National Defense.*

* * *

"I don't want the coercion of a few fanatics, whether at home or elsewhere. I want us French Canadians to forge our own road toward the future — a straight and wide road."—*Geo. P. Vanier, D.S.O., M.C.*

* * *

"I have seen nothing in bureaucratic control which justifies a belief that government officials could suddenly take over the management of business and industry." — *Donald Gordon, chairman, Wartime Prices and Trade Board.*

* * *

"Today, mighty economic forces, entirely outside our own control, are dictating and determining the extent and the character of our production."—*R. C. Berkinshaw, Director General of Priorities, before Canadian Club, Toronto, this week.*

* * *

"A young Englishman entering for the Foreign Office examination was asked what he thought were the most important things in the world. His answer was "Love, and Anglo-American relations."—*Lord Halifax, in a speech before American Academy of Political and Social Science.*

* * *

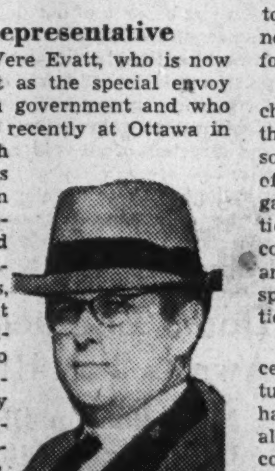
"One cannot wage war under present conditions without the support of public opinion, which is tremendously moulded by the press and other propaganda forces. Men will not fight and die without knowing what they are fighting and dying for."—*General Douglas MacArthur*

* * *

"The position is grave, but not hopeless if the peoples of the Allied countries fully realize their danger, throw off their complacency and make the sacrifices and do the work now, which is absolutely necessary if we are to retain our freedom."—*I. Y. Murdoch, President, Noranda Mines Ltd.*

Aussie Representative

Hon. Herbert Vere Evatt, who is now on this continent as the special envoy of the Australian government and who spent some time recently at Ottawa in conference with Mr. King and his colleagues, can fairly be described as the Stafford Cripps of Australia. Like Cripps, he is an eminent lawyer and ardent socialist who has suddenly advanced to a very influential position in his country's political life. He was born at East Maitland in New South Wales in 1894. At university, he won numerous scholarships and was voted the outstanding student of his year.



HON. H. V. EVATT

Choosing the Bar as his profession, he soon proved his quality as a skilful advocate and he found time from his growing practice to lecture on law at his old university. A keen Socialist from his early youth, he also took an active part in politics and in 1925 was elected Labor member for Balmain to the Legislative Assembly of New South Wales. But although he at once made his mark in the Assembly, he decided that for the time being he must concentrate upon his legal career and so in 1929, when he was created a K.C., he withdrew from politics. He was making a large income at the Bar, when in 1930, at the age of 36, he accepted a seat on the Federal High Court of Australia, youngest holder in Australian history of such a high legal office.

Mr. Evatt proved an admirable judge, but after a few years on the bench his interest in politics was reawakened and in 1940 he created something of a sensation by resigning from the bench and standing as a Labor candidate at a general election. He proved an invaluable reinforcement to the Labor party, which was none too strong in debating talent, and soon became recognized as its best brain, and the most formidable critic of the Menzies Government.

When the Labor party came to power last year, Dr. Evatt was given the Ministry of External Affairs. In this role he is responsible for Australia's relations with her allies and the dominating figure of the ministry. To the Curtin government he is a great source of political strength because while he remains a convinced Socialist, he is trusted by moderate elements in Australia, who are not wholly in sympathy with the domestic policies of the Labor party.

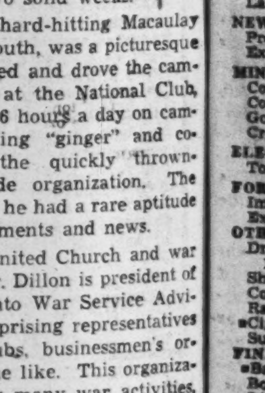
When it became apparent that Australia must rely mainly upon American help to resist the threatened Japanese attack, Prime Minister Curtin decided to send to Washington his ablest lieutenant. To this task Dr. Evatt has successfully applied his diplomatic gifts and he is given a large share of credit for the creation of the Pacific War Council.

* * *

Bringing Up the Reserves

Toronto has just concluded a novel public-spirited campaign—a civilian recruiting drive to bring up the Reserve Army units of the Toronto Garrison to full war strength.

Unlike most campaigns, there were no preliminary arrangements. The Army asked speed and speed was what they got — within three weeks of the official go-ahead, the job had been done.



E. M. DILLON

The civilian chairman who got it done, and who proved that there can be success to improvisation. was a Toronto lawyer, E. Macaulay Dillon, K.C. Over 200 registration booths were opened in the city. Thousands of application forms were distributed.

Bands, parades, speeches, radio talks, and donated advertising made the Reserve Army the most talked of subject in Toronto for two solid weeks.

Hard-working, hard-hitting Macaulay Dillon, pipe in mouth, was a picturesque figure as he cajoled and drove the campaign. He lived at the National Club, spending 15 and 16 hours a day on campaign work, putting "ginger" and co-ordination into the quickly thrown-together, city-wide organization. The newspapers found he had a rare aptitude for quotable statements and news.

Prominent in United Church and war charity circles, Mr. Dillon is president of the Greater Toronto War Service Advisory Council, comprising representatives of all service clubs, businessmen's organizations and the like. This organization, as one of its many war activities, collaborates with the War Time Prices and Trade Board in the supply of speakers to explain price ceiling regulations.

A Liberal, Mr. Dillon once unsuccessfully contested the Ontario legislature. He lives at Cooksville where he has a farm. He has four children. Like all members of his civilian recruiting committee, he served without compensation of any kind.

The Financial Post
Member Audit Bureau of Circulations
A weekly newspaper, presenting in a popular manner reliable information respecting investments, business and national affairs in Canada.
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Cutting the Costs in Canadian Business

Furniture Makers Stress Simplicity

Voluntary Plans Save Wood But Preserve Basic Quality

By ROBERT C. STARK

Cutting the costs in the furniture business has a scope extending right from the cradle to the grave. In all of Shakespeare's much-quoted seven ages of man there are unessentials in furniture which are now bowing out.

Makers of school furniture have recently had their heads together to decide where they can best simplify their manufacturing procedure to achieve the most economical operating basis. Consultations have been held with school boards, architects and other authorities to retain everything necessary in school furnishings, serve every need but slash the non-essentials that have drifted in during the years.

Frill-less Finishes

Standardization of finish is likely to be one of the most obvious effects of this plan. Some schools have shown a preference for seating their pupils at light-colored desks, perhaps more decorative but no more useful than their darker brethren. Using light-colored wood means higher costs because wood which is perfectly good for desks but has some color defect has to be thrown out. Darker finishes are now in store so that this serviceable lumber can be used.

This change alone will mean a considerable saving for some companies. There are factories, for instance, manufacturing equipment for several school districts all of which want different types of desks or materials. Standardization will mean allowing that factory to concentrate on one type and operate more efficiently.

The furniture trade has already voluntarily carried out some measure of frill-cutting within the industry through the reduction in the number of sizes and models. That process is continuing and the condition where a maker can double the number of suite styles he has in stock simply by adding a few more or less artistic touches is not likely to last much lounger. Bedroom furniture, tops on dressers, drawer sizes are being brought down to standardized lengths and widths.

As in the school rooms the lighter types of home furniture will be in diminishing supply. The increasingly popular bleached mahogany and walnut mean that those woods are actually put through a bleaching process which removes all the natural color. From that state they are built back to the color desired. That takes a lot of work and uses up valuable chemicals to achieve a decorative effect that does not fit into today's scheme of things.

Bobbing the House Broom

Even the lowly house broom is the target for simplification. Broom makers are really a good example of the need for cutting down on costs wherever possible simply because the price ceiling has brought a very definite squeeze in this industry. Our broom corn comes from the United States and the price has doubled in the past year. This raw material accounts for 30% to 40% of the retail price of a broom and such a rise has presented a Grade A problem to those trying to hold the ceiling.

Some modifications in brooms appear possible, such as the elimination of the metal ring for hanging up the broom, getting rid of the cloth wrapping which is supposed to act as a guard for the furniture, reducing the number and color varieties of the twine binding the broom, etc. These are changes which will mean some saving while there is some talk in the industry of standardizing types. Under this plan the broom corn would be graded into three or four groups after which a manufacturing concentration on the broom with the most mass-appeal would be possible.

Does Quality Pay?

Incidentally, it might be interjected that there are industrialists in various lines of work who have a definite opinion on the subject of quality. Catering to a mass demand which has as its main objective bargain hunting can lead to the production of volumes of cheap material having a comparatively limited life. A better quality product costing, say, perhaps twice as much as another may perhaps have three times the life. This would mean a release of man and machine power for those plants which are jammed with orders for "cheap" brands. This consideration adds another safeguard for those Canadians who have been fearing that the simplification programme will mean a deterioration in the quality of goods they will be getting.

A particularly conspicuous field for cost and frill-cutting in the furniture trade appears to exist in the casket-making industry. Under the pressure of competition funeral directors for years have been constantly asking for something different. Result of this has been a heavy growth of different sizes, styles, decorations and trimming.

Cutting Casket Costs

It is an actual fact that a casket manufacturer cannot carry a completed casket in stock. He must depend on a last-minute decision by his customer and then rush the order through to completion. Such a condition has meant that the manufacturer has had to tie up a considerable sum in inventory so that he may meet a rush order.

It is authoritatively stated that a programme which would cut casket makers down to a more conservative number of sizes and reduce the quantity of materials and shades of color used for trimming would still leave plenty of room for variety and expression but would allow cutting costs by 40% to 50%.

In the field of office furniture a totally different condition holds true. It is this department which offers perhaps the smallest field for further simplification. Reason is that the makers themselves have already brought their products down to a standardized and simplified basis. One explanation for that record might be that their work brings them constantly in touch with many offices, they are meeting with efficiency experts and much of their work is in trying to promote office efficiency. That sort of contract is apparently what has already whipped the frills off this branch of the furniture trade.

SUGGESTIONS FOR INVESTMENT

The personal requirements of the individual in investment matters constitute an important feature of our investment service." This service is available without obligation at any of our offices.

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TORONTO
Montreal Winnipeg Vancouver Victoria New York London, Eng.

The Week in Business

The business trend continues upward in terms of total production but the picture is mixed. Civilian businesses are feeling increasingly the pinch of government restrictions. War industries and those serving them are booming.

Bank debits give a significant indication this month of effect of Victory Loan payments. March figures for this year are far above a year ago and for the first quarter are 23.8% higher.

Railways continue active. Carloadings in the latest week are about 7,500 higher and for this year to April 18 the gain is 12.7%.

Railway earnings reflect this gain in carloadings with the C.N.R. gross up 21.4% to date this year and the C.P.R. up 26.5%.

Automobile financing on the other hand, is beginning to show the serious results of the shutdown of the industry. New car financing this year to the end of March is 54.5% lower than a year ago and used car financing is down 51.7%.

MONTHLY INDICES

	Mar.	Feb.	Jan.	Dec.	Year Ago
The Financial Post business index	*165.5	169.2	168.0	166.6	154.3
National Income, D.B.S.•	....	....	....	456.4	418.9
Dom. war expend.•	....	132.9	145.2	124.4	82.7
Dom. total revenue•	....	109.7	120.5	111.5	80.0
Dom. total expend.•	....	163.7	184.6	168.0	105.5
Retail sales index no.	....	154.5	150.9	147.2	130.6
Dept. store sales index no.	....	141.1	151.1	145.8	126.1
Wholesale sales index no.	....	135.9	132.2	137.4	110.6
Country store (% change pr. yr.)	....	+15.3	+20.5	+14.4	+4.4
Divd. payment index♠	121.4	121.4	121.3	120.3	121.0
COST OF LIVING—					
D.B.S. index	115.9	115.7	115.4	115.8	108.2
EMPLOYMENT INDEX Nos. D.B.S.—					
All industries	....	165.4	165.8	168.8	135.2
Manufacturing	....	191.2	187.1	188.4	147.4
Payroll (June 1/41=100) (b)	....	118.5	112.3	119.5	....
Payroll index (a) (1937=100)	....	178	185	193	141

	1942	1941	Jan. 1 to date 1942	Jan. 1 to date 1941	% Change
RAILWAYS—					
■Carloadings (week Apr. 18)	63,838	56,321	981,495	870,474	+12.7
■C.N.R. gross (week Apr. 21) $	6,333,000	5,797,000	96,858,000	81,434,000	+21.4
■C.P.R. gross (week Apr. 21) $	4,776,000	3,624,000	71,429,000	56,479,000	+26.5
C.N.R. net revenue (Mar.) $	6,423,606	4,932,055	15,225,159	10,691,565	+42.4
C.P.R. net revenue (Feb.) $	3,014,013	2,608,569	6,198,076	5,274,331	+17.5.
IRON AND STEEL—(February)—					
Pig iron production (tons)	143,973	102,104	307,129	217,559	+41.2
Steel ingots and castings prod. (tons)	242,921	193,408	501,937	402,067	+24.8
AUTOMOBILES—(Number)—					
Passenger Cars:					
Domestic sales* .. (Feb.)	2,733	6,717	8,776	12,450	—29.5
Factory output ... (Mar.)	3,192	12,093	11,430	34,720	—67.1
Trucks and Buses:					
Domestic sales .. (Feb.)	2,200	2,459	5,243	4,733	+10.8
Factory output ... (Mar.)	16,996	13,951	50,690	38,219	+32.6
Financing:					
■Used (Mar.) $	1,662,722	4,214,622	4,645,149	9,616,825	—51.7
■New (Mar.) $	1,138,031	3,286,098	3,616,941	7,954,061	—54.5
CONSTRUCTION—					
Contracts awarded . (Mar.) $	17,850,400	13,991,900	41,783,500	65,276,300	—36.0
■Cement prod., bbls. (Feb.)	299,361	302,182	582,756	584,746	—0.3
AGRICULTURE—					
Flour prod., bbls. . (Feb.)	1,384,978	1,462,187	3,140,828	2,639,556	+18.9
Flour exp., bbls. ... (Mar.)	899,399	559,193	2,706,110	1,520,714	+78.0
Wheat exp., bush. .. (Mar.)	9,765,258	11,622,719	26,334,393	25,962,393	+1.4
Cattle sales▲ (Mar.)	93,089	71,188	280,226	223,645	+25.3
Hog sales▲ (Mar.)	507,007	466,053	1,594,945	1,464,701	+8.9
SEA FISHERIES—‡					
Catch cwts. (Feb.)	1,044,800	317,300	1,810,800	909,200	+99.1
Landed value (Feb.) $	788,800	462,400	1,630,800	1,115,500	+46.1
NEWSPRINT—					
Production, tons ... (Mar.)	295,835	275,769	885,840	782,674	+13.1
Exports (Mar.) $	12,670,000	10,811,000	39,583,000	30,898,000	+28.2
MINING AND OILS—					
Coal prod., tons .... (Feb.)	1,693,471	1,501,939	3,591,425	3,279,802	+9.5
Coal import, tons .. (Feb.)	843,256	508,412	1,776,869	1,037,982	+71.2
Gold rec., fine oz. .. (Mar.)	377,109	426,842	1,164,622	1,300,324	—10.4
Crude oil, imp. gals.† (Feb.)	73,108	63,266	152,004	118,463	+36.8
ELECTRIC POWER OUTPUT—(February)—					
Total monthly, 1,000 kw.h.'s	2,842,463	2,407,068	6,068,752	5,041,763	+20.3
FOREIGN TRADE—♦					
Imports (Feb.)	$119,555,851	89,631,628	261,682,435	188,014,090	+39.1
Exports (Feb.)	$168,196,861	100,524,150	320,504,298	189,476,809	+69.1
OTHER INDUSTRIAL FACTORS—					
Dressed lumber exp.: 1,000 bd. ft. (Mar.)	147,261	169,810	379,682	486,643	—22.0
Shoes, prod., pr. ... (Feb.)	2,626,084	2,215,864	5,090,031	4,116,949	+23.6
Cotton consump., lb. (Mar.)	16,192,378	16,803,419	49,728,082	49,086,877	+1.3
Raw rubber imp. lb. (Feb.)	9,625,417	8,446,866	10,050,683	22,539,903	—55.4
■Cigarette cons., No.† (Mar.)	785,808	692,672	2,309,278	1,872,762	+23.3
Sugar manufactured .. lb.§	90,187,029	87,221,405	1,199,719,338	1,137,792,237	+5.4
FINANCE—					
■Bank debits† (Mar.) $	4,176,830	2,838,146	10,300,482	8,319,432	+23.8
Bond sales† (Mar.) $	1,083,943	42,884	1,264,361	240,143	+426.7
Life insurance sales (Mar.) $	35,876,000	33,700,000	118,314,000	93,526,000	+26.5.

*D.B.S. All Canada figure covering 90% of the Canadian total.
‡Unrevised figures covering N.S., P.E.I., N.B., Que., B.C.
▲Total at yards and plants. New items for week marked ■.
†000's omitted. §For four weeks to Dec. 31. ♦Gold excluded.
•Millions of dollars. *Preliminary. ♠Supplied by Nesbitt, Thomson & Co.
(a) Compiled by Canadian Bank of Commerce. (b) All industries.

Pacific Shipyards Increase Output

From Our Own Correspondent

VANCOUVER. — Adoption of a seven-day week and a 24-hour-a-day operating schedule in B.C. shipyards will result in a 20% to 25% increase in production of ships for Wartime Merchant Shipping, Ltd. Spokesman for this government-ada's cargo ship programme say this means West Coast yards will build at least 15 additional 10,000-ton vessels during the next year.

Under the new setup, the yards will be on the same basis as those in U. S. West Coast shipbuilding plants. Each worker will work six days a week, but the yards will be able to operate on Sundays through staggering of shifts. Payments of double time on Sundays and holidays will be eliminated.

Investment Securities

McLEOD, YOUNG, WEIR & CO.
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Metropolitan Building, Toronto
Telephone: Elgin 0161
Offices at Toronto, Montreal, Ottawa, Hamilton, London.
Correspondents in New York and London, England.

Three Out of Five Areas Up Again in March

Three of the five economic areas in Canada recorded business expansion in March over the preceding month. Ontario reached the level last November when a new peak was attained. British Columbia shows a consistent advance. Quebec made a spectacular gain, While the prairie provinces and maritimes showed recession.

Important in the March showing is the high level of bank debits, with each of the five areas showing marked increases from heavy Victory Loan payments. Contracts awarded is up in each section with the exception of the Prairies. Electricity output is up in all sections except the Maritimes. Life insurance sales are down in each area. Wheat receipts and prices affected the result for the prairies.

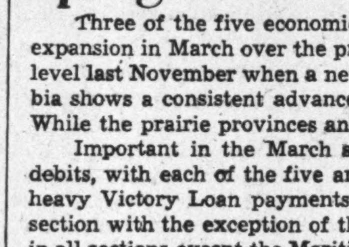
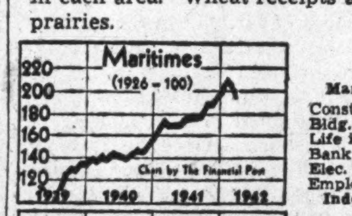
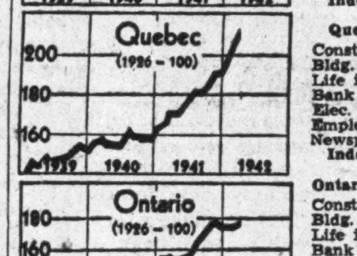
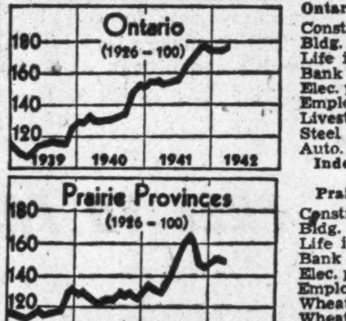
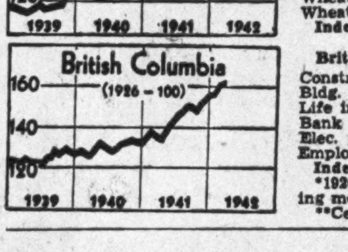


Chart by The Financial Post









Trend of Business in Economic Areas

	Mar., 1942	% Chge. Mar., 1941	Feb., 1942
Maritimes			
Constr. contr. $	933,000	+46.2	963,000
Bldg. permits $	124,000	—40.7	82,000
Life ins. sales $000	2,646	+12.8	2,609
Bank debits ... $000,000	105.5	+46.9	77.7
Elec. pwr. ... kw.h. 000	86,000	+22.9	77,000
Employment*	159.3	+17.5	178.8
Index	189.2	+13.8	206.6
Quebec			
Constr. contr. $	8,585,000	+88.9	3,877,000
Bldg. permits $	1,482,000	—15.6	1,029,000
Life ins. sales $000	9,774	+5.1	10,211
Bank debits .. $000,000	1,132	+40.3	826
Elec. pwr. ... kw.h. 000	1,766,000	+28.5	1,550,000
Employment*	178.6	+24.8	176.7
Newsprint prodn. . tons	295,835	+8.4	278,101
Index	211.7	+25.6	207.2
Ontario			
Constr. contr. $	4,982,000	—19.9	3,717,000
Bldg. permits $	2,976,000	—29.7	2,274,000
Life ins. sales $000	15,525	+2.1	17,472
Bank debits .. $000,000	2,154	+58.6	1,344
Elec. pwr. .... kw.h. 000	906,000	+12.4	809,000
Employment*	174.4	+14.7	173.3
Livestk. slaughterings*	281.1	+44.7	260.4
Steel prodn. .. net tons	265,903	+36.0	245,689
Auto. prodn. ...... no.	20,188	—22.5	20,181
Index	179.1	+15.5	175.5
Prairie Provinces			
Constr. contr. $	1,599,000	—7.6	1,874,000
Bldg. permits $	724,000	—32.5	406,000
Life ins. sales $000	5,031	+20.4	5,658
Bank debits .. $000,000	529	+24.5	435
Elec. pwr. .... kw.h. 000	233,000	+22.6	223,000
Employment*	126.1	+13.3	126.8
Wheat receipts .... bu.	8,761,000	—51.4	6,512,000
Wheat prices**	78	+2.3	78
Index	150.3	+14.9	151.4
British Columbia			
Constr. contr. $	1,752,000	+104.2	621,000
Bldg. permits $	1,482,000	+16.2	599,000
Life ins. sales $000	2,399	+4.3	2,988
Bank debits .. $000,000	255.7	+44.7	209.8
Elec. pwr. .. kw.h. 000	230,000	+19.8	205,000
Employment*	143.1	+22.5	140.5
Index	162.4	+19.4	160.9

*1926=100. Employment indexes apply to preceding month.
**Cents and eighths of a cent per bushel.

On the Record

Park Steamship Co. Ltd., has been incorporated to charter new cargo vessels and allocate them to the ocean routes where their services can best be utilized in the carrying of munitions and supplies. President is **R. B. Teakle**, General Manager, Canadian National Steamships. Directors are: **George Stephen**, Assistant Representative, Ministry of War Transport of the United Kingdom, Montreal; **Robert Reford**, Robert Reford Co. Ltd., Montreal; **J. W. Nichol**, Furness-Withy Co. Ltd., Montreal; **W. R. Eakin**, Montreal Australia New Zealand Line Ltd., Montreal; **D. J. S. Tyrer**, Elder, Dempster Lines Ltd., Montreal.

A Bicycle Advisory Committee has been appointed to co-operate with the Controller of Supplies in regard to the control of bicycles and their place in the Canadian war programme. **H. C. Higgins**, secretary of Canada Cycle & Motor Co. Ltd., Weston, named chairman; **W. G. Sayers**, president of Standard Cycle Products, Ltd., Toronto, and **S. Mace**, president of S. M. Cycle Co., Waterloo, Quebec, appointed members of the Committee.

W. W. Fowler appointed local representative for the Orillia subregional office, W.P.T.B.

Frank Earle Walker, Montreal and **Henry S. Rosenberg**, Toronto, appointed deputy Administrators of Used Goods. (W.P.T.B. No. 539).

Domestic metal-clad refrigerators will not be manufactured in Canada after April 30, except by permit.

Offices of the Controller of Construction to be moved from Ottawa to Toronto on April 27. **Henri S. Labelle**, Montreal architect, appointed regional director of the regional office to be opened in Montreal.

$2.1 millions in five months is the amount of government subsidies paid to keep the price ceiling in place according to Finance Minister Ilsley.

MEET THE FARMER IN HIS HOME

* * *

YOUR product is not truly nationally advertised unless it reaches Canada's vast rural market. You cannot depend upon the thin overflow circulation of city papers or magazines . . . You need a **farm** paper with **farm** coverage — a paper that is intimately connected with the Canadian farmer — a paper that understands his problems and talks his language.

The Family Herald and Weekly Star answers that need!

Each week the Family Herald reaches 300,000 rural homes. It provides thorough coverage of Canada's rich, up-and-coming rural market from coast to coast —a market where sales are waiting for you — and the Family Herald is waiting to introduce you!

Family Herald and Weekly Star
CANADA'S NATIONAL FARM MAGAZINE
MONTREAL CANADA

MONTREAL TRAMWAYS COMPANY

ANNUAL REPORT FOR THE YEAR ENDED 31st DECEMBER, 1941

REPORT OF THE PRESIDENT AND DIRECTORS
For the Year Ended 31st December, 1941

TO THE SHAREHOLDERS:

Your Directors herewith submit their Annual Report for the year 1941.

Revenue:			
Operating Revenue—Tramways		$13,508,454.84	
" " —Autobus		2,947,597.80	
			$16,456,052.64
Expenses:			
Tramways:			
Operating Expenses	$6,470,488.22		
Maintenance and Renewals	3,033,652.38		
		9,504,140.60	
Autobus:			
Operating Expenses	2,001,195.77		
Depreciation	476,543.96		
		2,477,739.73	
Taxes (other than Income Taxes)		590,092.82	
			12,571,973.15
Net Operating Revenue			$ 3,884,079.49
Other Income:			
Interest on Marketable Securities, Call Loans, etc.		99,346.61	
Dividends		50,445.95	
			149,792.56
			$ 4,033,872.05
Other Deductions:			
Interest on Bonds		$ 2,360,815.75	
Exchange		249,756.60	
Amortization of Bond Discount and Expenses		19,646.00	
			2,630,218.35
			$ 1,403,653.70
Provision for Income and Excess Profits Taxes			255,110.07
Net Income transferred to Surplus			$ 1,148,543.63

SURPLUS AS AT 31st DECEMBER, 1941

Balance at beginning of period		$ 901,984.20
Net Income from Profit and Loss Statement		1,148,543.63
Recovered from Contingent Reserve		9,000.00
		$ 2,059,527.83
Deduct:		
Transferred to Depreciation Reserve	$ 500,000.00	
Reserve for Financing: On Account of Arrears	265,329.54	
		765,329.54
Balance at end of period		$ 1,294,198.29

FINANCIAL

The preceding statements set forth the financial results for the year.

Some time prior to July 1st, 1941, it became apparent that the Company would be unable to make payment of the principal of its First and Refunding Mortgage 5% Thirty-Year Gold Bonds which matured for payment on that date. Non payment would create a default under the Trust Deed securing the bonds, and in view of the Company's covenant contained in the Trust Deeds securing its General Mortgage Bonds that the First Mortgage Bonds would be paid in full at maturity a technical default would have been created under the Trust Deeds securing all Series of the General Mortgage Bonds.

To meet this situation a Scheme of Arrangement was in due course prepared and submitted to meetings of the two classes of Bondholders held on December 9th and 10th, 1941, respectively. Such Scheme was approved at these meetings by very large majorities and thereafter sanctioned and confirmed by the Chief Justice of the Superior Court. After the necessary publication in the Quebec Official Gazette the Scheme became effective and binding upon the Company and upon all Bondholders as of the 27th of December, 1941.

As affecting the holders of First Mortgage Bonds the principal features of the Scheme are the following:—

1. The maturity date of the bonds is extended from July 1st, 1941, to July 1st, 1951, without change as to interest rate or places or currencies of payment;
2. The bonds outstanding are to be reduced from $23,611,000 to $19,000,000 and the issue is closed at that amount;
3. A Sinking Fund of $700,000 is established for the bonds payable annually until the extended date of maturity, the first payment to be made on July 2nd, 1942;
4. The bonds are to be redeemable on 30 days notice either in whole or in part at any time prior to their extended maturity date at 100½% and accrued interest.

As affecting the various Series of General Mortgage Bonds the principal features of the Scheme are the following:—

1. The Company will create and issue several Series of new General Mortgage Bonds amounting in the aggregate to $26,047,400 and the issue will be closed at that amount. Maturity date and rates of interest will remain the same;
2. Holders of the presently outstanding General Mortgage Bonds resident outside of Canada on April 17th, 1941, and so resident on December 27th, 1941, when the Scheme became binding will receive in exchange for such holdings new General Mortgage Bonds payable as to principal and interest at the option of the holder in Canadian currency, United States currency or Sterling.

Holders resident in Canada will receive new bonds payable as to principal and interest in Canadian funds only;

3. $1,724,300 of the outstanding Series "E" Bonds heretofore issued but unsold and in the Company's Treasury will be surrendered by the Company for cancellation;
4. The new General Mortgage Bonds will carry no Sinking Fund during the extended term of the First Mortgage Bonds, but for the year 1952 and following will be entitled to a Sinking Fund in an amount equal to that which would have been payable with respect to the original General Mortgage Bonds.

The results of the Scheme of Arrangement are reflected in certain items of the General Balance Sheet.

The Company's Operating Revenue for the year is $16,465,052.64 being an increase of $2,259,255.90 over the previous year. Operating Expenses show an increase of $2,156,913.75. This increase was due to higher wages and taxes, increased cost of materials and also to the fact that traffic demands required the operation of 4,079,023 additional miles of service as compared with 1940.

The number of revenue passengers for 1941 was as follows:—

	TRAMWAYS	AUTOBUS	TROLLEY BUS	TOTAL
Revenue Passengers, 1941	214,909,555	45,649,178	3,013,055	263,571,788
Revenue Passengers, 1940	189,440,726	33,559,952	2,763,373	225,764,051
Increase	25,468,829	12,089,226	249,682	37,807,737
Increase per centum	13.44%	36.02%	9.04%	16.75%
Miles operated were as follows:				
1941	27,934,925	9,515,859	361,707	37,812,491
1940	25,897,097	7,476,735	359,636	33,733,468
Increase	2,037,828	2,039,124	2,071	4,079,023
Increase per centum	7.87%	27.27%	.58%	12.09%

FARES

The average fare on the tramways system in 1941 was 6.12 cents. The average fare in cities in the United States with a population exceeding 100,000 was 7.94 cents for the same year.

TAXES AND SNOW REMOVAL

The amounts paid by the Company during the year for taxes and snow removal were as follows:

To the City of Montreal:		
Snow Removal	$ 195,950.38	
Taxes	505,707.54	
		$ 701,657.92
To other Municipalities:		
Snow Removal	$ 31,798.48	
Taxes	33,133.45	
		64,931.93
To the Federal Government: Income Tax, Gasoline, etc.		150,819.92
To the Provincial Government: Taxes, including Corporation, Gasoline, etc.		393,928.66
		$1,311,338.43

From 1918 to December 31st, 1941, the Company has paid to the City of Montreal the following amounts:—

For Snow Removal	$ 5,018,350.56	
For Annual Rental	7,942,694.05	
For Taxes	9,078,349.65	
		$22,039,394.26
and has expended for Maintenance of Street Pavement		3,876,702.54
		$25,916,096.80

ROLLING STOCK

Buses: 63 new buses were put into service at a cost of $847,593.00.

TRACK RENEWAL

6.46 miles of single track and intersections were reconstructed, principally on Cote St. Paul Road, Notre Dame to Canal; Notre Dame, Guy to McCord Street; Notre Dame, St. Lawrence to Gosford Street; St. Catherine, Prefontaine to Valois Street; St. Catherine, Bleury to St. Lawrence Blvd., and five main intersections, namely, Craig and Victoria Square East; Craig and Victoria Square West; Craig and St. Lawrence Blvd; Craig and Amherst Street; De Fleurimont and St. Denis Street.

NEW BUS GARAGE

A modern bus garage with a capacity for 60 buses was built on Bellechasse Street between St. Dominique and Casgrain Streets. Construction—Steel frame, brick walls; Roof—102 feet clear span, fire-proof. Equipped with special hot-air heating and ventilating system, mechanical bus washer, mechanical hoist and repair pits. Completely sprinkled, at a total cost of $165,000.00.

MAINTENANCE

All property has been well maintained. This Company won the Maintenance Competition Shield awarded by the Transit Journal to the Company on this Continent showing the best maintenance record during the year.

TRAFFIC

Increased industrial activity, resulting from war conditions, has created greater congestion of traffic, especially during the so-called "Rush Periods" and has added greatly to the difficulties of the movement of our vehicles.

Our narrow streets are now called upon to take care not only of the increased number of our vehicles but, also, of the greatly increased numbers of trucks and automobiles using the streets at the same time.

New equipment must, to a large extent, be purchased in the United States and paid for in American Funds. War conditions have restricted or made impossible these purchases.

In August last the Dominion Government appointed a Transit Controller. This official, whose authority extends throughout the Dominion, is endeavouring to provide a remedy for future increased traffic by "staggering hours of work." By this means the "rush hour periods" in the different systems throughout Canada will be spread out or extended and some effective relief provided. If the Transit Controller meets with success, this Company will be in a better position to take care of increased traffic.

GENERAL

The Company's employees have subscribed generously to the War Services Funds and have purchased substantial amounts of Victory Bonds and War Savings Certificates.

Your Directors wish to record their appreciation of the faithful and efficient service of the officers and employees of the Company during the past year.

Submitted on behalf of the Board of Directors.

R. N. WATT,
President

GENERAL BALANCE SHEET
As at December 31st, 1941

ASSETS

Current Assets:			
Cash on Hand, Demand Deposits	$2,489,129.22		
Call Loans	1,975,000.00		
		$ 4,464,129.22	
Marketable Securities, at cost (Market Value $462,406.25)		461,062.50	
Accounts Receivable		78,552.47	
Inventories of track and overhead materials, Street Car and Autobus repair parts and supplies, etc., at cost		840,987.42	
Accrued Interest Receivable		6,182.19	
			$ 5,850,913.80
Investments:			
Company's own Bonds at cost (Par Value $72,300.00)	$	45,758.51	
Securities of Affiliates		725,248.33	
Securities held for account of Guarantee Fund (Market Value $490,000.00)		500,000.00	
Securities held for account of Autobus Depreciation and other Reserves (Market Value $497,500.00)		500,000.00	
			1,771,006.84
Fixed Assets:			
Property, Plant and Equipment		$58,064,096.83	
Less Reserves—			
Maintenance and Renewals	$ 315,887.89		
Depreciation, General	5,700,000.00		
Depreciation, Autobus	1,339,961.02		
		7,355,848.91	
			50,708,247.92
Deferred Charges:			
Prepaid Taxes	$	52,837.15	
Uniforms—amount applicable 1942 operations		29,319.83	
Prepaid Insurance, Rents, etc.		58,847.83	
Unamortized Bond Discount and Expenses		144,976.00	
			285,980.81
Other Assets:			
Operators' Ticket Advance Account			65,000.00
Note:			
Balances due Company under Contract, payable only when earned: On account Financing Allowance $632,603.70			
			$58,681,149.37

LIABILITIES, CAPITAL STOCK AND SURPLUS

Current Liabilities:			
Accounts Payable	$	607,236.35	
Accrued Liabilities:			
Wages	$451,506.04		
Taxes	421,116.08		
Bond Interest	327,962.89		
Montreal Tramways Mutual Benefit Association	29,751.23		
		1,230,336.24	
Other Current Liabilities:			
Employees' Security Deposits		26,940.86	
			$ 1,864,513.45
Funded Debt (After giving effect to the Scheme of Arrangement):			
*First and Refunding Mortgage 5% Gold Bonds due July 1, 1941 (extended to July 1, 1951)		$19,720,000.00	
**General Mortgage Sinking Fund Bonds, due April 1, 1955		26,047,400.00	
			45,767,400.00
Reserves (In accordance with provisions of Contract):			
Contingent Reserve	$	300,000.00	
Reserve for Injuries and Damages		180,000.00	
Other Reserves		57,034.31	
			537,034.31
Reserves (For Company's Account):			
Reserve for Financing		$ 1,365,270.12	
Reserve for Redemption of Unpresented Tickets		500,000.00	
Reserve for Exchange on U. S. Dollars		209,000.00	
Other Reserves		143,733.20	
			2,218,003.32
Capital Stock:			
70,000 shares of $100.00 par value			7,000,000.00
Surplus			1,294,198.29
			$58,681,149.37

*Payable at holder's option in Canadian or U. S. currency or in sterling. (Pursuant to the Scheme of Arrangement.

(a) The Company is required to purchase and cancel, not later than March 27, 1942, $720,000 of these Bonds, any deficiency to be made up forthwith by redemption of Bonds to the necessary amount, and

(b) An annual sinking fund, commencing July 2, 1942, of $700,000 Canadian funds has been established for these Bonds.)

**Issuable, pursuant to the Scheme of Arrangement, in four series—Series A5% and Series A4½% payable at holder's option in Canadian or U. S. currency or in sterling.

Series B5% and Series B4½% payable in Canadian currency only; in exchange for an equal aggregate principal amount of General Mortgage Bonds heretofore outstanding; until such exchange has been completed in conformity with the provisions of the Scheme of Arrangement, it will not be possible to determine the respective principal amounts of the four Series of such Bonds to be outstanding.

Verified in accordance with our Report of this date.
Montreal, February 24th, 1942.

SHARP, MILNE & CO., C.A.,
Auditors.

Approved on behalf of the Directors:
Howard Murray
C. E. Gravel } Directors.

Certified Correct:
A. A. BOIRE,
Chief Accountant.

The Wawanesa
Mutual Insurance Company
—Organized in 1896—
Admitted Assets .. $3,310,837.04
Surplus 1,735,148.47
Write for Financial Statement
Ask for Our Booklet "Farming Holds the Key"
Head Office: Wawanesa, Man.
Eastern Office: Toronto, Ont.
Branches at Vancouver, Edmonton, Saskatoon, Winnipeg, Montreal and Moncton.
2,000 Agents Across Canada

THE LONDON & LANCASHIRE INSURANCE CO. LTD
ABSOLUTE SECURITY
W. R. HOUGHTON
Manager

Winnipeg Electric Co. has been granted permission by the Transit Controller to spend $345,000 on new vehicles this year. It has been authorized to order altogether 15 27-passenger buses from Ford of Canada, 10 31-passenger Twin Coaches and 5 44-passenger Mack trolley buses.

BEFORE YOU INSURE
Consult
Confederation Life Association

FIDELITY
Insurance Company
of Canada
TORONTO

Our Mutual plan Reduces Fire insurance costs
1st. By rigid selection of risks, economy of operation and conservative management.
2nd. By returning to policyholders, through annual dividends, a substantial portion of their original premium. 1941 dividends to policyholders: $1,515,315.
Applications for Agencies Invited
NORTHWESTERN
MUTUAL FIRE ASSOCIATION
EASTERN CANADIAN DEPARTMENT
Imperial Bldg., Hamilton, Ontario
WESTERN CANADIAN DEPARTMENT
Randall Bldg., Vancouver, B.C.

Automobile and General Casualty Insurance
AGENCY INQUIRIES INVITED
SERVICE SAVING SECURITY
LUMBERMENS MUTUAL Casualty Company
VANCE C SMITH Chief Agent
CONCOURSE BUILDING
TORONTO
Fire and Allied Lines Written in Associated Companies

The Independent Order of Foresters
For over sixty years the I.O.F. has furnished broad plans of insurance protection and provided its membership with valuable fraternal benefits.
The Society issues Ordinary Life, Twenty Payment Life, Twenty Year Endowment Certificates and a Modified Endowment maturing at age sixty-five. All Certificates provide cash, loan and paid-up values and generous benefits in case of total and permanent disability.
ASSETS OVER $44,000,000.00
VICTOR MORIN, LL.D., Supreme Chief Ranger
Head Office: - - Toronto, Canada

THE
Dominion of Canada
GENERAL
Insurance Company
Fire Casualty Life

War Adds to Bank Costs

Government Cheques Serviced Without Charge

Broader scope of the business operations of the Canadian Government in recent years, especially since the war, has tended to increase sharply the amount of money passing through the chartered banks on government account.

Expenditures in the fiscal year just closed, apart from aid to Britain, are estimated at around $2.6 billions, or about five times as much as in pre-war years. Most of this money is paid out by cheques which are normally presented through one of the chartered banks for payment. Accordingly, the work of the chartered banks has been greatly increased by the larger government payments.

The big item of course is the war, including payments for supplies and munitions, and pay for the men in the armed forces. But there are many other items of a permanent nature such as pensions for disabled service men and their dependents, and payments for people getting benefits under unemployment insurance, etc.

Cheques on Receiver-General

In most cases the way it works is like this. Suppose a man has a contract to supply a certain commodity for the troops in a certain camp. At the end of the month he submits his bill. The government department concerned, in this case Munitions and Supply, draws a cheque or more properly an order on the Receiver-General in favor of the contractor. The latter presents it to his branch bank for payment and the branch bank then sends it to its main office in Ottawa where it is cleared to the Receiver-General on whom it was originally drawn.

The number of cheques of this kind is enormous. Detailed figures of the total number are not available. But some idea of the expansion that has taken place is had from the fact that in the case of one bank as many as 10,000 cheques drawn on the Receiver-General go through its Ottawa branch in a day. Comparative statistics do not appear to have been collected because in pre-war times the number of these cheques was not such as to excite notice. Ten thousand a day however is a different matter.

Increase of 60%

Another bank stated the number of cheques passing through its Ottawa office in the first quarter of 1942 averaged 160,000 a month, or something between 6,000 and 7,000 a day. As the tempo of the movement is understood to have quickened substantially in recent weeks it is probable this bank's recent figures are near those of the first named. This second bank estimated the number of government cheques cashed in the first quarter of 1942 was at least 60% greater than in the same period of 1941.

These cheques all have to be sorted out by the chartered bank's Ottawa branch. Those drawn by the Department of Trade and Commerce have to be grouped together, those by the Departments of National Defense or Munitions and Supply or Labor the same way. They are all arranged in sequence and presented to the Receiver-General for payment.

Large Potential Revenue

Under the present system of the banks making a service charge for all cheques cashed on any one account in excess of a stated number, a substantial revenue would be derived in normal cases. Take 10,000 cheques a day at five cents each and a revenue of $500 would accrue, equal to $150,000 a year. Then too as most of these cheques are presented for payment at places outside Ottawa there should be substantial exchange charges.

But the catch is that under the Bank Act a chartered bank can't charge the government for services of this kind. Section 98 of the Bank Act says:

> "The bank shall not make any charge for cashing any cheque drawn on the Receiver-General or on his account in the Bank of Canada or in any other bank or for cashing any other instrument issued as authority for the payment of money out of the Consolidated Revenue Fund or upon any cheque drawn in favor of the Government of Canada or any department thereof and tendered for deposit in the Consolidated Revenue Fund."

Large Funds on Deposit

In support of this section it is argued that the banks are not entitled to any pay for their services to the government because the government keeps large balances with them on which no interest is paid. The banks counter with the statement that as this money is subject to withdrawal it cannot be lent out unless subject to immediate call. They don't mind giving the service free as a contribution to the war but some feel that it should be recognized as a contribution.

Meanwhile bankers say the work involved takes up the full time of officers who might otherwise be doing something else. With the number of trained bank employees decreasing and existing difficulties in replacing them, bank executives claim considerable hardship results, with substantial increases in the cost of doing business.

Weekly Bank Clearings

	Apr. 23 1942 $	Change Year Ago %	Apr. 16 1942 $
Halifax	3,637,535	—3.4	4,156,321
Saint John	2,544,948	—1.6	2,562,978
Moncton	1,226,808	+31.3	1,020,171
Sherbrooke	1,110,237	+35.3	863,639
Quebec	5,161,687	+11.1	5,847,722
Montreal	124,529,295	+23.1	120,207,364
Ottawa	64,417,048	+50.1	88,114,503
Kingston	705,379	—4.1	703,568
Peterborough	836,419	+23.3	819,267
Toronto	157,488,161	+30.2	140,712,590
Hamilton	7,594,271	+1.9	7,918,346
Kitchener	1,308,362	+3.3	1,422,482
Brantford	1,145,624	+12.5	1,043,975
London	2,926,937	+21.6	2,977,600
Chatham	675,086	+21.6	742,430
Sarnia	392,166	—20.2	528,451
Sudbury	846,634	—18.7	1,254,525
Windsor	4,312,319	+10.9	......
St. Catharines	1,384,471	...	1,432,353
Fort William	1,035,193	—3.7	1,010,409
Winnipeg	50,601,644	—9.7	50,168,902
Brandon	438,261	+12.1	447,058
Regina	3,646,747	—6.0	3,923,850
Moose Jaw	654,231	+4.9	718,724
Saskatoon	1,563,251	...	1,624,267
Prince Albert	478,389	+24.4	478,052
Edmonton	5,999,396	+18.1	6,537,095
Calgary	8,048,284	+9.3	6,694,369
Lethbridge	695,475	+30.6	745,619
Medicine Hat	313,703	+4.5	332,179
N. W'minster	957,383	+16.6	783,341
Vancouver	24,045,832	+29.3	21,147,192
Victoria	1,973,677	—0.5	1,961,808

Less Sterling Held By Bank

Bank of Canada Also Reports Increase in Miscellaneous Deposits

An increase of $20 millions is shown in the Bank of Canada investments at April 22. The increase was mainly in short-term issues although holdings of long-term bonds were also higher. The rise in security holdings probably represents securities taken over from the Foreign Exchange Control Board and may also include bonds acquired under the repatriation scheme. A decline of almost $16 millions in sterling holdings is also attributed to payments for repatriated bonds. Miscellaneous assets were about $4 millions lower—total assets almost $3 millions higher.

On the liability side, Dominion government deposits were higher while deposits of the chartered banks were down. An increase of $12 millions in other deposits is believed to represent money being accumulated by the Bank of Canada and placed at the credit of the Bank of England as part of Canada's gift of $1 billion to Great Britain.

Note circulation was about $1.6 millions lower.

	Apr. 22 1942 $	Apr. 15 1942 $
Liabilities		
Capital paid-up	5,000,000	5,000,000
Notes in circ.	513,838,255	515,436,018
Rest fund	5,585,705	5,585,705
Deposit: Dom.	98,936,376	93,589,149
Banks	195,975,235	213,061,895
Other	18,805,176	6,948,676
Total deposits	313,716,787	313,599,720
All other liabs.	11,105,509	7,010,735
Total liabs.	849,246,256	846,632,178
Assets		
In Sterl. & U. S.	218,408,961	232,203,961
Subsid. coin	399,225	360,623
Advances	500,000	500,000
Investments:		
Dom. gov. sh.	401,608,198	382,172,083
Other Dom. gov.	215,626,469	214,869,681
Total invest.	617,234,667	597,041,764
Premises	1,768,914	1,764,868
All other assets	10,934,489	14,760,962
Total assets	849,246,256	846,632,178

Bank Chat

Regarding the increasing scarcity of available safety deposit boxes in the chartered banks reported in this column last week, a bank executive states that scarcity of steel is an important factor.

Under war conditions, the steel necessary for making new safety deposit boxes is not available. So there is no way of increasing the number.

In addition to the demand for boxes from people who have never had them, many who have had a moderate sized one for years now require more space to hold their growing pile of victory bonds and war savings certificates. Accordingly they want to replace the box they have with a larger one.

• • •

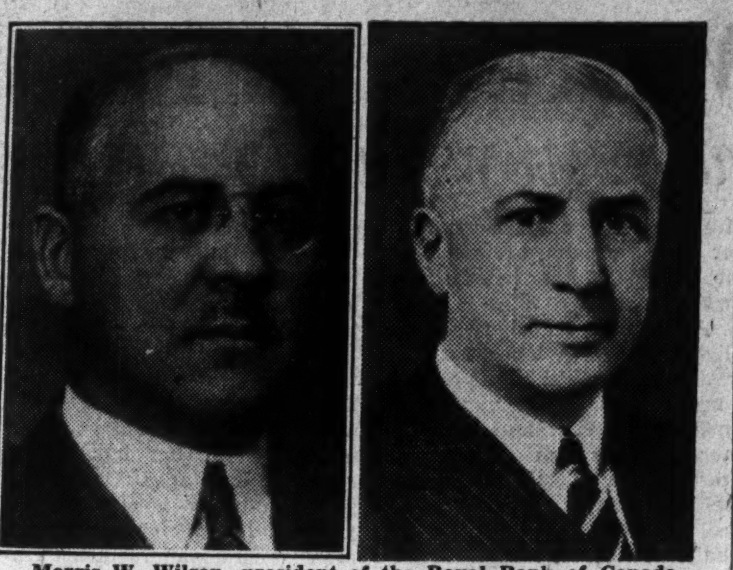
To overcome the increasing scarcity of office help some bank executives are talking of closing branches wherever this can be done without too great loss or without too great hardship for the public.

During the last 12 months the number of banks closed exceeded those opened by nine, resulting in a net decrease of nine in the number of branch banks operated. Some expect that in the current year the decrease will be much larger. Every bank closed, releases the staff for service elsewhere, which is a big consideration.

Under present regulations the banks cannot hire anybody of military age, while many men of military age already in the banks are either enlisting voluntarily in the armed forces or being called out for home service.

Women are being used in increasing numbers but, here also there is difficulty as other branches of business are competing keenly with the banks for the services of women who know office work.

Join Smelters Directorate



Morris W. Wilson, president of the Royal Bank of Canada, left, and George W. Spinney, joint general manager of the Bank of Montreal, who have been elected to the board of directors of Consolidated Mining and Smelting Co. of Canada.

Did You Give Your Right Age?

Death Claim Depends on Establishing Birth Date

With life insurance in force increasing steadily, the need of policyholders having their age admitted officially by the insurance company is being urged on policyholders.

Failure to do so, it is pointed out, may result in payment being held up if the policyholder dies and the policy becomes a claim. Even before the policyholder dies, it may cause considerable inconvenience as an obstacle to him getting a loan at the bank. Many bankers require proof of age before making a loan with a life insurance policy as collateral.

Contract Based on Age

The reason so much attention is attached to having the true age of the policyholder established is that it is on the age of the individual that life insurance premiums are based.

All other things being equal, the expectation of life varies inversely with the age of the insured. Thus, suppose the average life is 65 years. A healthy man of 30 buying life insurance policy may be expected to pay premium for the next 35 years. But if he is 40 the expectancy of life will not be so great. The company is not likely to receive as many premiums in one case as in the other. Consequently the premium charged at the older ages is higher.

Now suppose a man buying insurance says he is 30 years old when he is 35. He pays the annual premium a man of 30 should pay but will, in the average case, pay for a shorter length of time. This means the insurance company will receive a total amount of premium payments smaller than its calculations call for. This results in a loss to the company, if the insured dies and the face value of the policy is paid.

Conversely if the policyholder overstates his age he will be paying a higher premium than he should and will probably pay for a longer period than expected.

Calculations Thrown Out

In either case the calculations of liability are thrown out of gear. Consequently, proof of age is considered an important factor by most companies before a claim is actually paid.

Misstatement of age may be due to a desire to defraud the company by getting insurance at a rate below that which should be paid.

More often it is due to ignorance or carelessness.

Few people ever actually see a record of their birth unless they are asked to get a birth certificate for some special purpose. They accept what they have been told by other people and this is the age they give when buying insurance, unless they are deliberately trying to defraud, when they give the age that suits their purpose.

One in Seven Wrong

An official of one large Canadian life insurance company estimated that approximately one person in seven cannot or does not correctly state his date of birth. He also estimated that "one in every ten policyholders has a discrepancy in his birth date which affects the insuring age. These discrepancies range anywhere up to 15 years. While rather startling the estimate is reasonably conservative and was arrived at . . . by continuously watching the cases where proof of age is submitted after the policy has been in force a number of years and also takes into account new business where information of a confidential nature is received, indicating that a different birth rate has been given on some previous occasion."

The same authority stated that in approximately eleven months his company had had 341 discrepancies "which necessitated age adjustments out of approximately 4,000 age admissions, not taking into account the discrepancies in the birth rate which did not affect the insuring age."

Cases of wrong age being given are stated to be more common among foreign born citizens than native born, probably because of less efficient methods of keeping records. In the case of foreign born the difficulty of obtaining proof of age after a policy is written is, of course, also greater than in the case of native born.

When Proof is Lacking

What happens when a person dies without his date of birth having been proved?

Most Canadian companies require the birth date to be established before they will pay a claim. In the case of annuities practically all companies require age to be proved before the issue of the contract. The practice of British companies appears to be in line with that of Canadian companies but American companies have in the past been less strict except in cases where they believed there was some intention to defraud.

If in a life insurance policy, the age of the insured has been misstated, the usual practice is to pay the amount of insurance which, the premiums paid in would have bought at the correct age. This procedure is laid down in the Uniform Life Insurance Act in force in most of the Canadian provinces.

Under this procedure if a man of 40 stated his age as 35 and paid a premium of say $30 a year when he should have been paying $35, the payment to his beneficiaries would be adjusted to the amount of insurance a premium of $30 yearly at age 40 would have bought.

Age Overstated

If the age has been overstated, the Uniform Life Insurance Act provides that under ordinary circumstances the company must refund the amount by which total premiums exceed the amount that would have been payable at the correct age. But it also provides that if the policy has a clause providing that the amount of insurance payable under the claim shall be increased in proportion to the excess premium, the company is authorized to do so. It has been estimated that understated ages are about six times the number of those overstated. Some claim the ratio is nine to one. Accordingly, it is not feasible to assume that understated ages are offset by those which have been overstated.

Proof of Age

Proof of age acceptable to most Canadian companies is obtainable from a variety of sources.

In most Canadian provinces the matter is fairly easy so far as native-born are concerned because of the laws which have been in force for many years making registration of birth compulsory. A birth certificate can usually be obtained from the provincial authorities. In Quebec province baptismal records are probably the most common sort of evidence of birth and they are usually acceptable.

Other evidences that may be often accepted include: family bible records, birth notices in newspapers, baby books, cradle roll certificates, family trees, statements by an attending physician, marriage certificates, employment certificates, etc.

In the case of foreigners, passports, naturalization records, etc., may also be taken.

When Policy is Issued

The best time to establish age is when a policy is being taken out and many agents in recent years have tried hard to get this done at that time. It is not always done as it might delay the issue of a policy in some instances, but much inconvenience is saved if it is. If records of birth from the government authorities or from recognized church documents are not available, the insured himself can give valuable help in making an investigation. Once he is dead, this source of information is gone.

Responsibility for establishing age rests on policyholders, agents and company alike. But the policyholder is probably more interested than anybody else, except the beneficiary, in knowing the policy will be paid promptly at his death.

Accordingly self interest demands that he make every effort to have his age proven as soon after the policy is issued as possible.

Insurance Notes

With paid business of over $1 million, John R. Rhoads, agency assistant at Philadelphia, becomes the new president of the Production Clubs of the Manufacturers Life Insurance Co. His production in 1941 led the entire field organization of the company.

The Philadelphia branch of the Manufacturers Life in 1941 stood third in the entire manufacturers life field organization in paid business.

• • •

The annual meeting of the Actuarial Society of America will be held May 14-15 in New York. Officers and members of the council will be elected to succeed those retiring. Among the retiring officers is H. H. Wolfenden, consulting actuary of Toronto, one of the vice-presidents.

Members of the council retiring include L. K. File, actuary, Canada Life.

• • •

Two important Canadian fire prevention meetings will be held at the Seigniory Club, Montebello, Que., the week of May 18, when the Dominion Fire Prevention Association and the Association of Canadian Fire Marshals will hold their annual meetings.

The speaker at the luncheon of the first meeting will be Mayor S. Lewis of Ottawa.

The list of speakers at the meeting of the Fire Marshals' Association includes Major-General L. R. La Fleche, associate deputy minister of National War Services; Hon. R. J. Manion, director of civil air raid precautions at Ottawa; W. T. French, chief of the fire defense section, Office of Civilian Defense, Washington, F. W. Nicolls, chairman administrative committee national building code for Canada, and W. J. Scott, Ontario Fire Marshal.

Industrial Fires Show Increase

Losses in Ontario Rise Sharply in First Quarter of 1942

Losses through fires in industrial plants, in Ontario, in the first quarter of 1942, were more than three times as great as in the corresponding period of 1941, according to the latest bulletin issued by W. J. Scott, Ontario Fire Marshal.

The loss for the quarter was $720,611 compared with $199,273 in the corresponding period of 1941. Total industrial fires for the whole of 1941 were $1.4 million and for 1940 $1.2 million. The increase for the quarter is probably due to greater activity in manufacturing plants generally.

One fire listed as of incendiary origin in industry in 1942 was not in a war industry. A serious fire in a war industry in Hamilton is still under investigation, however, and no definite cause for the fire has as yet been ascertained.

Total fire losses in the province during the quarter numbered 4,262 against 4,525 in the previous year. Total monetary loss was $2.4 millions, an increase of $7,169, the insurance loss at $2.1 million being $29,988 higher.

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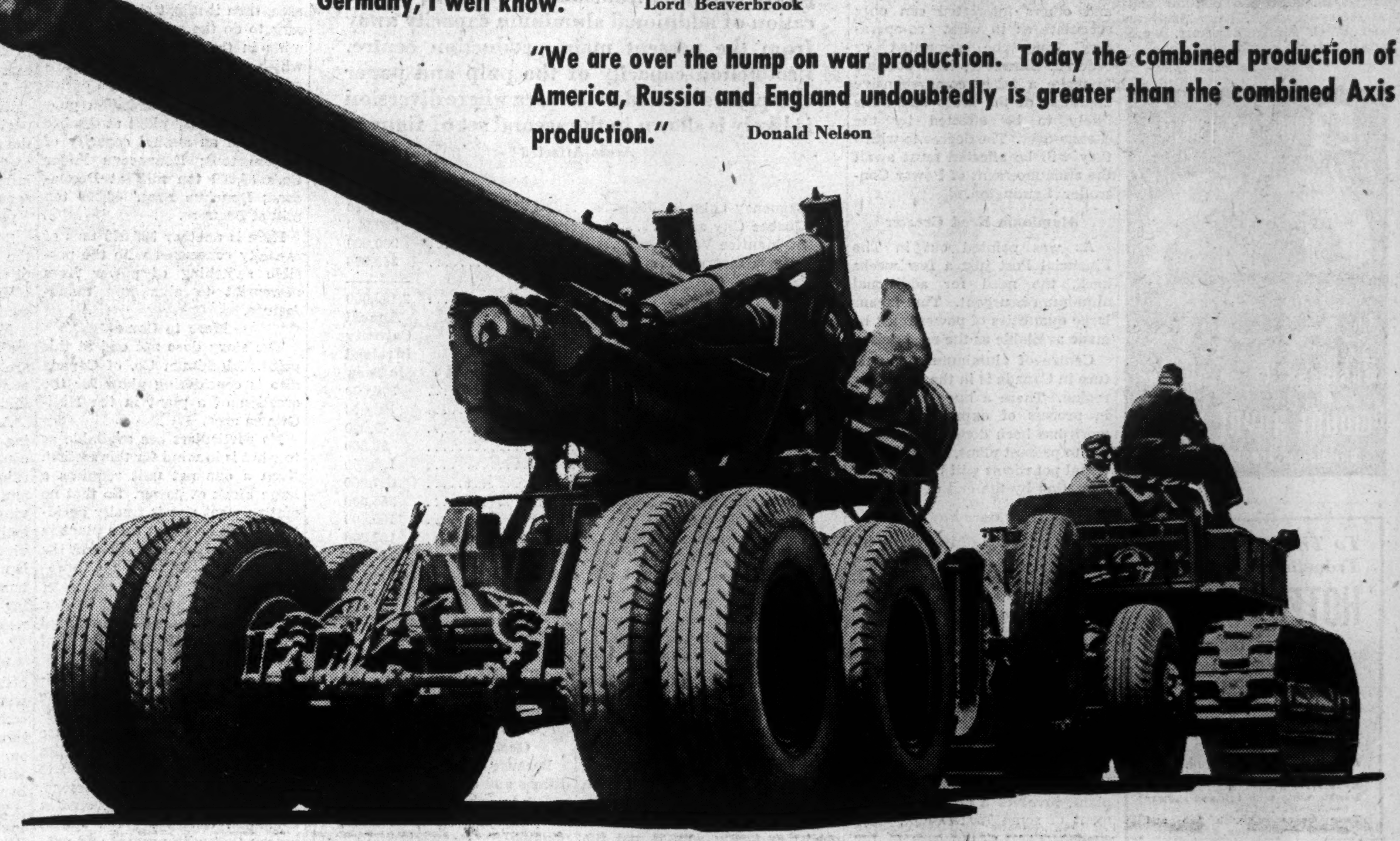
Washington's New Timetable For War:

Knock Out Hitler in 1942; Japan in 1943

> **"There is a chance, an opportunity to bring the war to an end here and now . . . Strike out violently . . . How admirably Britain is now equipped in weapons of war for directing such an attack on Germany, I well know."** Lord Beaverbrook

> **"We are over the hump on war production. Today the combined production of America, Russia and England undoubtedly is greater than the combined Axis production."** Donald Nelson



By **FLOYD S. CHALMERS**
Editor, The Financial Post

WASHINGTON. — Two major developments in the war have changed the whole aspect of the struggle of the United Nations against the Axis.

One is the abandonment, by the United Nations, of the concept of a "holding war" in 1942 in favor of the "dynamic of the offensive." It now seems clear that Hitler will not alone choose the time and place for the great European offensive of 1943. The United Nations themselves are prepared to launch an all-out attack on Germany.

That such a decision has been made is the obvious significance of the Marshall-Hopkins visit to London, the First Sea Lord's visit to Washington and the Beaverbrook speech. It is pointed up in the tremendous increase in the tonnage of R.A.F. bombs falling on German factories and railway centres.

The second major development in the war is the one that made the first decision possible: the achievement by the United States of a degree of conversion to total war and a rate of production of weapons—particularly planes, guns and tanks—that is already far ahead of schedule.

A few weeks ago it seemed that direct Allied attacks on Germany this year would not go beyond the blockade, sporadic Commando raids designed to immobilize German troops in defense of the long coastline from the Bay of Biscay to Narvik, and a stepped-up aerial offensive, designed to soften up Germany from the air and draw Axis fighter planes from the Russian front.

Much Bigger Than That

The evidence is clear now for all to read and interpret that an offensive much bigger than that is already hatching.

Whenever and wherever Hitler launches his own spring offensive, he will find himself with an enemy at his back, with the desperate reality of the two-front war, that has haunted his sleep.

Implicit in the situation is the assumption that the United Nations have decided that whereas, a few months ago, they had underrated Japanese strength they now may be overrating it.

The new strategy is clear: to concentrate enough strength to knock out Hitler in 1942 and deal more leisurely with the overspread Japanese military and naval strength in 1943.

This has introduced a new timetable for the war. This writer desires to make it clear that he writes without knowledge of official plans in the field of grand war strategy. But here is the way the timetable of war, as seen by well-informed non-official observers here, has been changed:

Three weeks ago it was:

1942: Stop Hitler and hold Japan.

1943: Knock out Hitler and start on Japan.

1944: Finish the job.

Now the best unofficial observers—men a cut above "armchair strategists"—put the timetable this way:

1942: Destroy Hitler's power and hold Japan.

1943: Knock out both Hitler and Japan.

Britain, the United States and Canada continue to pour planes, tanks and other weapons into Russia.

They are concentrating huge striking strength, both in men and munitions alike, in the British Isles.

There Are Several Possibilities

An offensive need not necessarily be a cross-Channel attack. There is a variety of places where a toe-hold on the continent could be seized: for example from the North through Norway and Finland, or from the South through Africa and Italy.

What has made an offensive possible is not only the air supremacy rapidly being gained by Britain over Europe but the tremendous increase in war production in the United States, and pressure to convert all except the most essential civilian industries to war.

What has made a major offensive desirable, if not essential, is the absolute urgency of keeping Russia in the war; or stopping a Hitler drive, either through the Ukraine, Syria or North Africa; and the necessity of preventing a junction of German and Japanese military power somewhere between Syria and India.

It will be Britain, necessarily, that will be gambling most if a "second front" is opened up. For failure in the attack would leave Britain greatly weakened.

If Britain is to take the risks of a major offensive, it is then implicit that the United States would first have to give guarantees to Churchill that, whether the great gamble results in victory or another Dunkirk, Britain itself will not be allowed to fall. Such guarantees, it is understood, have been given.

In any event, there seems to be a feeling that an offensive this year would be of supreme strategic importance, even if it failed to knock out Hitler's armies in 1942, simply because it would make it impossible for Hitler himself to launch an all-out attack in Russia or the Near East.

Morale on the continent is rapidly deteriorating, it is known. Hitler's worries are now greater than ours. Spotted typhus has made its dread appearance. Starvation is spreading. The spirit of revolt is rising. Norway has proved unconquerable; Czecho-Slovakia only less so.

Laval's rise to power has ended the "Petain Revolution" and paved the way for an ultimate upsurge of popular feeling and action against the invader. No one expects an anti-Hitler revolution in the occupied countries this year, but revolt is brewing and the discontent will greatly aid our cause. Sabotage is gaining in daring and violence. The Nazis are not the only people who understand Fifth Column methods.

How Strength is Pooled

The United Nations have pooled their strength to a degree that is little realized. There can shortly be concentrated against the Axis greater military power than the world has ever known.

Through a series of grand councils and boards, the pooling of resources and ideas has been carried out to such an extent that, in essential matters, related to the conduct of the war, there will soon be virtually no such things as international boundary lines. Even sovereignty and international book-keeping between the United Nations have become near-casualties.

The grand strategy of the war is now planned by the Joint Strategy Board on which the United States and Great Britain operate as a team, working closely with Russia and China.

Canada has, so far as is known, asked no part as a principal in the higher planning of the war strategy, although of course it has become a principal member of the Pacific Grand Council. Canadian airmen, troops and other fighting strength will be concentrated where the U. S.-U. K. joint strategy board want them.

Next in importance after the determination of strategy is the assembling and distribution of the raw materials for feeding war factories. Here again a gigantic pooling has been achieved through the Joint Raw Material Committee. There is now no competition between Britain and America for the use of essential raw materials.

Again, as in strategy, Canada is not a "principal" in the raw materials pool. It throws into the pool its metals and other materials; it gets its share of available steel, oil, and critical resources out of the pool. Liaison with the materials pool is through a joint U. S.-Canada committee.

The Big "Missing Link"

Once the raw materials have been pooled, the next step is obviously the pooling of production. Here is the biggest "missing link" in United Nations war planning. While there has been the closest co-operation between all the Allied countries and a free exchange of information; and while each country has been producing for the other, there has not yet been achieved a complete pooling of war production under a single agency.

This missing link is about to be provided for the anti-Axis chain.

There is to be set up in Washington a joint supply council. The U. S. joint chairman will, no doubt, be Donald Nelson, while a Britisher of cabinet rank—but not Oliver Lyttelton, Minister of Production—will come out as the British joint chairman.

Again it is not likely that Canada will be represented on the board as a principal. Canada has apparently been given a place only on the board that represents the next link in the chain and which will be dealt with later.

The joint supply council, when set up, will have before it constantly the most complete information as to the military needs of each of the United Nations, both for finished weapons and components, and a complete statement of the productive capacities of each nation.

With this information, it will be possible to achieve joint planning of production to achieve the largest possible over-all output.

Setting up of such a centralized plan of war production is bound to have some effect upon the character of Canada's production. It may stimulate a demand for a substantial "raising of the sights" by Canada.

Canada's munitions programme has reached its present magnificent scope chiefly because of the stimulus provided by Britain's post-Dunkirk demands upon Canada for ever-increasing output of guns, ammunition, ships, tanks and planes. Canada's munitions production authorities have responded to every British request. Time after time Canada has jammed its industrial capacity with what seemed to be the very maximum the country could handle only to take on huge new commitments and quickly absorb them. Within very recent days, two large additional projects have been assigned to Canada and taken on by the always dynamic Department of Munitions and Supply which seemingly refuses to admit that Canada's war production has a ceiling.

Assignment of Munitions

Next in line in the broad planning of the war comes machinery for the assignment of war production, as produced, and where the general staffs say it is needed. This is done through a munitions assignment board. This is the only one of the major United Nations war boards on which Canada holds a seat as a principal member. Prime Minister King has pressed for such representation and is reported to have won his point during his recent visit to Washington.

Canada's representation was granted, it is said, in recognition of the fact that it is one of the three major munitions exporting countries. Australia and New Zealand, for instance, are on balance importers of munitions.

Finally, there is united planning and control in the all important matter of shipping, through the Joint Shipping Committee. The United Nations have pooled their ships to ensure their most effective use without overlapping or waste.

Pooling of shipping is of the utmost importance at this stage when U. S. war production is reaching new peaks and offensive action is under discussion. Lord Beaverbrook said in Washington last week that it takes five tons of shipping to keep one soldier overseas. Obviously, to keep in the field an army large enough to have some chance of smashing Germany, it would be necessary to concentrate a large part of the total shipping resources of the United Nations on the army's supply route, say the North Atlantic or the New York-to-Mediterranean route. Pooling of ships makes it possible to achieve such concentration when it is necessary, assuming, of course, that enough ships can be taken off other routes.

In both Canada and the United States, the production of war weapons has made great gains since Pearl Harbor. Britain publishes but few figures. Tank production has doubled in the last six months. Construction of ships is expected this year to double last year's figures. British aircraft production is at a monthly rate well in advance of the figures at the end of 1941. These statements have been made publicly and are impressive indicators.

But it is United States production, now swinging into its stride, that is most impressive. Washington, too, is keeping its secrets on actual figures of war production—except with respect to airplanes where figures have been published indicating present monthly production of 3,300 military aircraft, with the year-end objective of 10,000 also in sight.

Best available estimates seem to be that United Nations production of military aircraft is today well over 6,500 per month while combined Axis production, including occupied Europe, is not in excess of 4,500. By the end of the year the United Nations will probably be out-producing the Axis three to one.

Of tanks, it is likely that the United Nations will be also be out-producing Germany three to one by the end of the year. It may have, in fact, already gotten a production considerably above that of the Axis.

Indicators such as these are much more important than the totals, now running into twelve figures, of American appropriations for war. Colossal as such figures are, they are comparatively meaningless because they include amounts that cannot be translated into fighting weapons before 1944.

Closer to realities than total appropriations are the figures of what the United States is planning to spend on the war in the year beginning July 1 next. This war budget was upped the other day from $56 billions to $70 billions. The administration, in submitting the figures to Congress, indicated that the revision upward could confidently be presented because the rate of armament production had expanded so much more rapidly than expectations.

Construction Out; Conversion In

There are some indications that the "new construction" phase or the American armament arms programme is tapering off and that increased production is being more and more obtained through "conversion" of the nation's economy to war.

Ability to produce more war goods in existing factories may mean tearing up blueprints for many projected new factories. This in turn will mean that much labor and steel that would otherwise have gone into new plants will be available to feed existing war plants.

The United States is nearing the latter stages of its final conversion to all-out war production. While the public has not yet become fully conscious of that fact, it will become increasingly aware of it as the clamping down on supplies to civilians brings about a further "slimming" of the country's habits.

The War Production Board has already issued orders which have the effect of wiping out the durable consumers goods industries for the duration. Drastic curtailment of other supplies is taking place.

Last week a War Man-Power Commission was set up which will have all necessary powers to mobilize the nation's labor resources and divert them quickly to war. While a compulsory draft of labor is not coming at once, the new board will follow a plan of labor priorities and the clearing of all new employment through government employment offices.

There are various estimates of the number of workers in the United States. The outside figure is 71 million potential workers: that is to say, all able-bodied men and women between 16 and 65 except women with children under 10. The theoretical maximum that can be found for war work is about 40 millions out of the 71 million eligibles, because there would still have to be about 10 millions in agriculture and 20 millions in the minimum force required to maintain the civilian population. Britain has come very close to getting such a labor potential to work and, of course, Germany has gone farthest of all. At the moment all that is planned in the United States is to divert as many as possible of the 50 million people, who are already employed, from civilian to war work. About 7.5 millions are now in war jobs. During the coming year the figure will run up to between 15 and 20 millions.

But even if the theoretical maximum is slashed in two it will be seen that the United States has workers available to support war production on three times the present scale and to meet the coming year's giant needs.

It will be Man Power Czar Paul V. McNutt's job to get the war workers out of this vast pool as and when they are needed.

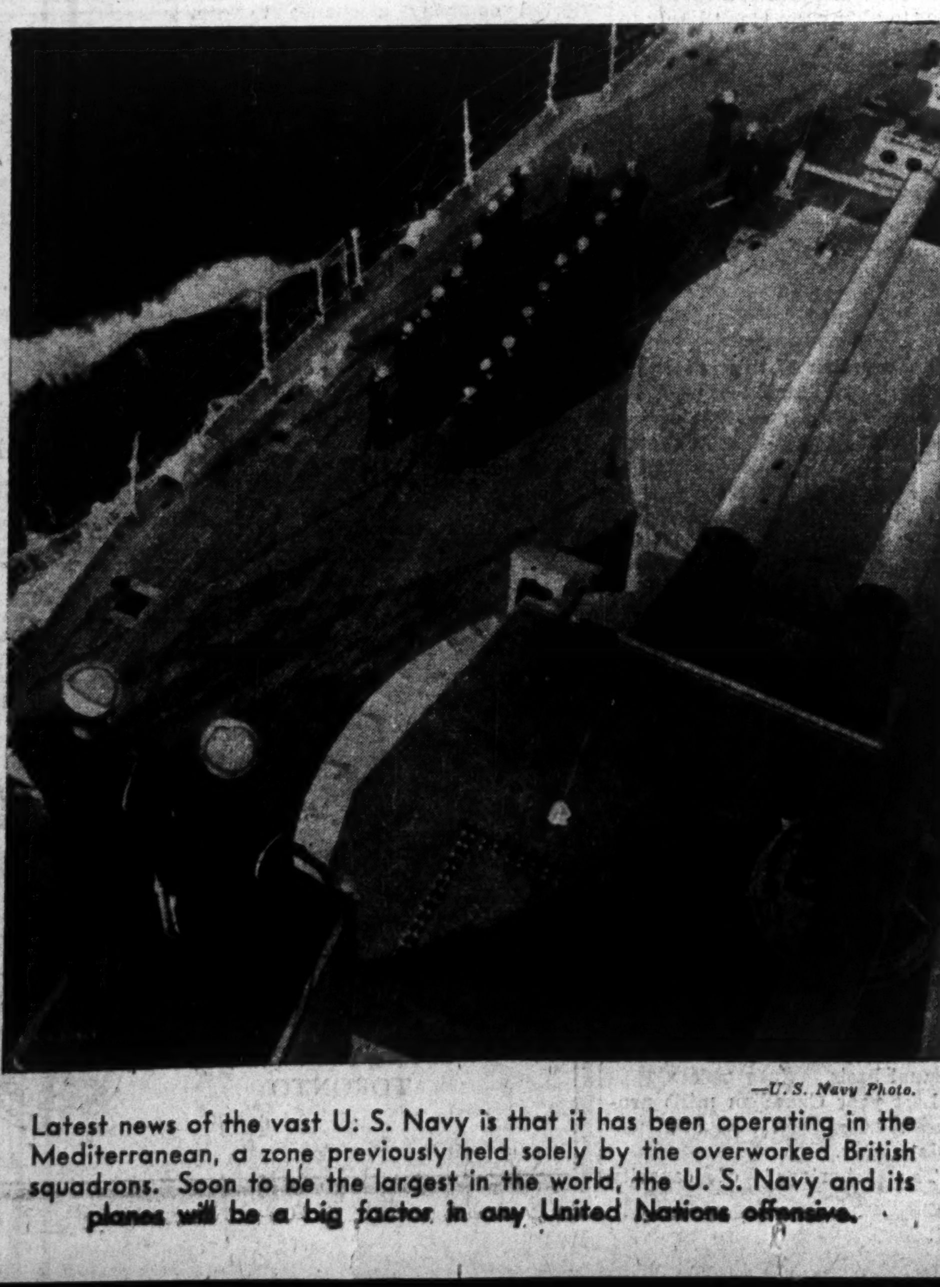
Great Power Now Focused

The giant power of the democratic nations is being rapidly harnessed to the task of defeating the Axis. The effort is far beyond the blueprint stage: results are already being achieved in war production as well as in the allied fields of raising and training the armed forces for Victory. No longer are the United Nations inferior to the Axis in producing materiel of war. They have not the preponderance of reserves that they need. But they are attaining a rate of production that will build up these reserves more quickly than would have been thought possible last November.

The countries that are fighting Germany, Italy and Japan are demonstrating that they too, know something about total war, about turning national economies into war economies. Not the least impressive is the record of this country whose war machine is now "over the hump," to use W.P.B. Director Nelson's phrase. There are significant places where the United States war effort is disappointing to some Washington observers. The financial approach is still unrealistic. Plans are to tax for not more than one third of the funds required. Nor are there adequate plans for siphoning off excess purchasing power in war loans. But Washington is beginning to think furiously on this problem.

Another field to which attention is being given is the realm of psychological warfare on the home front. The spirit of "toil and self-denial" is growing, but there is much yet to be done in selling the American people on the harsh necessities imposed upon them by the war. Several government agencies are in competition in this field but a unified plan seems about to emerge. Here, as in other fields, British advice has been sought and the parliamentary secretary of the Minister of Information, Ronald Tree, has been here consulting with officials.

But the biggest fact in the whole American picture is that the pace of rearmament has made it possible for the United Nations to think for the first time since the war began in terms of the dynamic of offensive.



—U. S. Navy Photo.

Latest news of the vast U. S. Navy is that it has been operating in the Mediterranean, a zone previously held solely by the overworked British squadrons. Soon to be the largest in the world, the U. S. Navy and its planes will be a big factor in any United Nations offensive.

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Newsprint Looks at Aluminum

How Switching of Power Will Affect the Paper Makers

Question of whether to use precious power to make newsprint or aluminum has been decided without hesitation in favor of aluminum. In six to eight months results of that decision will likely bring a shift of power away from the pulp and paper companies.

Which companies and which areas will be first and most deeply affected is not yet certain, but most likely candidates for early diversion are the companies located within the same power area as the giant Aluminum Co. Listed below are these areas in the order in which they are likely to feel the impact, but the schedule might be altered by changes in power supplies, transmission lines, or the location of additional aluminum capacity away from the present main production centre. Production capacity of the pulp and paper companies located in the area where diversion is likely is shown in the second set of figures.

Areas Affected	Annual Capacity in Tons
Saguenay-Lake St. John	630,000
Quebec City area	329,000
St. Maurice Valley area	900,000
Ottawa-Lievre	340,000
Total	2,199,000

Companies Concerned	Annual Capacity Involved in Tons
Price Bros. and Co.	375,000
Lake St. John Power & Paper	102,000
Donohue Bros.	49,000
Abitibi	88,500
Anglo-Canadian	195,000
Consolidated	627,000
Can. Inter. Paper	285,000
James Maclaren	100,000
St. Lawrence Paper Mills	187,000

Note:—In certain instances, tonnage indicated does not represent all capacity under control of operator.

By JOHN LANGDON

MONTREAL.—Holders of newsprint securities are asking themselves many questions these days. How will power restrictions affect newsprint production? What companies may have to give up all or part of their power supply to be used in the manufacture of aluminum? What effect will the switching of power have on earnings of the individual companies? Unfortunately the answers to these questions are not in the back of the book.

There is only one man who knows the more or less complete story. He is H. J. Symington, power controller. Any day now he may inform the newsprint companies what is in store for them. Until he does so, operators and others interested can only speculate as to what "co-operation" may be requested or ordered. However, it is possible to make a fairly comprehensive appraisal of the areas and mills likely to be affected by the change-over. The degree to which they will be affected must await the announcement of Power Controller Symington.

Aluminum Need Greater

As was pointed out in The Financial Post just a few weeks back, the need for additional aluminum is urgent. That means large quantities of power must be made available as the need arises.

Centre of aluminum manufacture in Canada is in the Saguenay region. There a huge smelter is in process of expansion. Much work has been done and, according to present plans, several additional pot rooms will be ready for operation by the end of the year.

After More Power

In anticipation of its greatly increased power needs, Aluminum Power Co. has under way harnessing of the Shipshaw River. Allied to it is the extension of the Chute-à-Caron power plant. At the latter point two new units are now being installed. Each unit will have a capacity of nearly 65,000 h.p. When Shipshaw plant is ready these units will be transferred to the new plant.

The Shipshaw project, which incorporates the Chute à Caron plant, involves a power development of some 750,000 h.p.; sufficient power to take care of the same smelter capacity. This is not all new power. The Shipshaw plant will mean partial closing down of the Chute à Caron unit, but net gain in new power supplies should be in the neighborhood of 500,000 h.p.

Husband Power Resources

Earlier in the war Saguenay Power Co., another member of the Aluminum family, called back 100,000 h.p. sold to Shawinigan under long term. Moreover, Aluminum made a deal with Shawinigan whereby it purchased a block of some 200,000 h.p. or more which has been fed back into the Saugenay system.

The big projects of Aluminum Power Co. are not expected to be ready when Aluminum's expansion is complete. Nor is there any likelihood of piping in more power from outside over the existing transmission lines at present.

May Commandeer Power

It is taken for granted that in order to utilize all aluminum manufacturing facilities available by or before the end of the year, steps will have to be taken to recall the power now being delivered by Saguenay Power Co. to the newsprint companies in the Saguenay-Lake St. John region.

Under existing contracts Saguenay Power Co. is called upon to deliver 40,000 h.p. of primary power to Price Bros. and Co.; 30,000 h.p. to the Port Alfred mill of Consolidated Paper Corp. and 20,000 h.p. to the Dolbeau Mill of Lake St. John Power and Paper Co.

Will Help Temporarily

By shutting off the power supply to these mills Saguenay Power Co. can make available almost 100,000 h.p., which, plus the 130,000 h.p. of new installations at Chute à Caron, will provide Aluminum Co. of Canada with 230,000 h.p. to take care of energy requirements at the smelter.

If it is necessary to take all this power to meet the needs of the aluminum industry, the Kenogami and Riverbend mills of Price Bros.; the Port Alfred mill of Consolidated Paper and the Dolbeau mill of Lake St. John will be affected.

The newsprint capacity of these four mills aggregates around 630,000 tons annually.

It should be kept in mind that this is the maximum; in fact all the tonnage that possibly can be affected in the Saguenay-Lake St. John region, if the very worst happens, i.e., if all power is withdrawn.

Other Areas Concerned

The need for power for aluminum production does not end there. Aluminum Co. of Canada already has let contracts for the extension of its plant at Shawinigan Falls. Extent of the addition cannot be detailed, save that a large block of power will be needed, possibly well before the end of the year.

Power requirements for this unit will have to be supplied by the Shawinigan Water and Power Co. This company already has done an outstanding job in supplying electrical energy for new war plants. In all it has made available over 300,000 h.p. for that purpose.

This has been done through completion of the new power plant at La Tuque and through elimination of power deliveries to electric boilers.

Good Water Conditions

Because of excellent water conditions and also because it is proposed to impound a large additional amount of water, it may be possible for Shawinigan to meet the extra power needs of the aluminum plant at Shawinigan Falls without restricting deliveries to newsprint companies in that area.

If such does not prove to be the case, then there are several newsprint mills in the St. Maurice area which may have their power supply restricted.

There is the 245,000 ton mill of Canadian International Paper at Three Rivers; St. Lawrence Paper Mills' 187,700 ton mill at the same point; Consolidated Paper's 212,000 ton mill at Shawinigan Falls; the same company's 117,000 ton mill at Grand Mere. In addition Consolidated Paper has the two Wayagamack mills at Three Rivers and Cap de Madeliene with a rated capacity around 140,000 tons.

Collectively these plants represent slightly over 900,000 tons of annual newsprint capacity.

May Affect Quebec Area

If it is necessary to curtail power deliveries to the newsprint mills in the St. Maurice River area, then it might also be necessary to do the same thing to the mills in the Quebec area, all of which are supplied with Shawinigan power.

There is Anglo-Canadian pulp and Paper Mills' plant at Quebec City with an annual capacity of 195,000 tons; Donnacona Paper Co.'s 85,000 ton mill at Donnacona; Donohue Bros.' 49,000 ton mill at Beaupre.

Here is another 329,000 tons of capacity concerned with the possible switching of power from newsprint to aluminum manufacture.

More to Come

The story does not end at this point. Aluminum Co. of Canada also is considering plans for the erection of a plant in the Hull-Ottawa area.

No particulars are available as to what is in mind for this section. Even a one pot unit requires a large block of power. So that no matter what size is finally decided, a decision to set up a plant in the Ottawa-Hull area concerns the newsprint mills in the Ottawa-Lievre section.

In this area are the 240,000-ton mill of Canadian International Paper Co. and 100,000-ton mill of James Maclaren Co.

Even if Aluminum Co. of Canada does not go ahead with the Ottawa-Hull plant, it must be remembered there is strong pressure from American power authorities to have more energy delivered to the aluminum plant at Massena, N. Y. This move is not favored in Canadian circles for the simple reason that with present and projected plans, Canada will have no spare power to export.

Big Tonnage Involved

Collectively the tonnage directly and indirectly affected by the aluminum industry's need for additional power at some date in the not too distant future, is summarized in the accompanying table.

It is not believed the requirements of the aluminum industry will necessitate closing down all these mills in order to make available power for aluminum smelting operations.

In certain quarters where the situation is being followed closely the outside figure is placed at 50%, but for obvious reasons it is impossible at this stage to say which company is to be affected by the change-over or to what extent it will be affected.

Change Not Immediate

Moreover the change from newsprint to aluminum is not likely to be immediate. Only the Power Controller knows when the change-over will take place. But in well-informed quarters it is believed that no action will be taken for at least six to eight months.

This means that during all or the greater part of this year those newsprint companies concerned with the power-aluminum switch-over will not be deprived of power.

Confirmation of this is seen in the statement issued last week by Charles Vining, president of the Newsprint Association of Canada. He said that in so far as capacity and power supply were concerned, there would be adequate newsprint supplies to meet all requirements in 1942.

Effect on Supply

Carrying the survey a step farther brings up a number of interesting speculations as to what effect the power transfer may have on newsprint operations.

As already pointed out some 2.2 millions of newsprint capacity come within the area affected by aluminum operations. Newsprint capacity in other provinces does not have to be considered at this stage.

If half of the power supply is ordered diverted from newsprint to aluminum operations, the effective capacity of the Canadian newsprint industry would be reduced to 3.2 million tons on an annual basis.

Last year Canadian mills produced 3.4 million tons of newsprint paper.

The "shortage" of capacity seemingly would indicate the industry might have serious difficulties in meeting demand.

Such is not altogether the case.

Newsprint consumption in the United States is on the decline; a decline which may accelerate before the year is out.

The overseas export trade is in a bad way because of the lack or limitation of shipping space.

Capacity to Spare

For the current year newsprint production in Canada will be well under 3.4 million tons.

A conservative estimate places prospective production for the current year at around 3 million tons. It might be even less.

For this year, therefore, Canada will have plenty of capacity to meet a demand which is not likely to greatly exceed three million tons.

Next year demand is not likely to be larger, though such a forecast at this stage must necessarily be largely guesswork.

Even with a cut of 50% in capacity of the newsprint mills in the aluminum area which, in this case, means Quebec province, the industry will still have sufficient capacity to meet demand.

Influence Operators' Earnings

So much for consideration of the supply and demand as it applies to newsprint.

What of the individual companies?

Newsprint plants are, in the main, located in sections which are wholly or almost wholly dependent upon the industry for their economic well being.

A partial or even complete closing down of a newsprint mill because of the transfer of power raises a highly important social and economic problem to the province and the municipality directly concerned. Lastly it is a vital matter to the operator, who is not only concerned with maintenance of his plant, but in retaining his key personnel for the time when operations can be resumed.

Will Get Help

While there is no official or unofficial word as to what policy would be adopted when the time comes to transfer power from newsprint to aluminum, it is assumed the Dominion Government will provide some compensation in the form of shut-down costs.

This will go far toward relieving economic distress.

Another angle to consider is the re-allocation of tonnage of those mills affected.

The industry is known to have given thought to this problem. So far no definite plan has been worked out because there is insufficient material to go on.

Credit For Tonnage

It is likely that where a company's tonnage is reallocated to another mill (as is the case now), the company giving up the tonnage will be compensated by the "earned increment" which accrues to the mill getting the business.

Put in another way the benefits resulting from the transfer of tonnage from "A" to "B" in the form of lower operating costs, reduced administration charges, etc., would be passed back to "A."

This earned increment would likely amount to several dollars a ton, which, with shut-down costs contributed by the Dominion Government, would give the affected company a chance to keep its head above water.

More Data Needed

Until considerably more detailed information is available as to when the Power Controller plans to issue his order for the transfer; the tonnage affected, etc., it is out of the question to hazard a guess as to the financial outlook for some of the companies which may have to make a "contribution" of power to the aluminum industry.

Meanwhile the industry is waiting and hoping that the expected order will come down as quickly as possible, so that steps may be taken to bring about the necessary adjustments with the minimum of dislocation.

B. C. Timber Production Cut by Labor Shortage

From Our Own Correspondent

VANCOUVER. — Labor troubles and low priorities on equipment are threatening to curtail lumber production in British Columbia at a time when demand is for maximum production.

Spokesmen for the industry are in Ottawa seeking federal action that will stabilize the supply of man power for logging camps, already seriously depleted by enlistment and withdrawals to shipyards and other high-pay war industries.

Representatives of the B.C. priorities branch have also gone to Washington in an effort to expedite the flow of vitally needed equipment from the U. S. The present priority on lumber equipment is A 10, and some lumbermen claim that if the industry is not given a better position many operations will be brought to a standstill within a few months.

Last year the forest industries of British Columbia produced to the value of $120 millions—the highest figure in the history of the industry.

"Canada called on lumber for an all-out effort in 1941, and that effort was forthcoming," remarks B.C. Lumberman, principal organ for the industry in western Canada. "If it is not forthcoming again in 1942, it will not be the fault of the logger, or the lumber manufacturer, or the man who makes the machines and supplies the parts essential to the maintenance of forest production at peak levels.

"It will be the fault of conditions beyond their control—shortage of labor, shortage of equipment and last, but by no means least, lack of government co-operation in clearing up the muddle of priorities that is making it doubly difficult to obtain the tools they must have to finish the job."

Unions Active

Loggers are faced with labor disturbances in the spruce camps of the Queen Charlotte Islands, where airplane material was produced last year to the total of 75 million board feet. This year, according to the operators, production will be less than 50% of the 1941 cut unless labor is more co-operative.

The operators claim that the union leaders, representing International Wood Workers, are not representative of the men, and that until agitators attempted to compel collective bargaining everyone was satisfied. The union leaders insist that the operators' attitude may result in a strike.

In other camps production is already steeply lower than last year. The March cut was about 16% less than in March, 1941.

U. S. Publishers Use Less Paper

From Our Own Correspondent

MONTREAL.—United States publishers used 2.9% less newsprint paper in March than a year ago. According to the Newsprint Association of Canada, total apparent consumption of newsprint in the United States last month amounted to 334,799 tons, compared with 344,769 tons in the same month last year.

The March reduction of 2.9% compared with a reduction of 1.5% in February, which had been the first reduction from the previous year since March, 1939.

Advertising linage in 52 key American cities declined 6.5% from March last year compared with the corresponding decrease of 6.4% in February. The cumulative decrease for the first three months of this year over last year was 5.7%.

During the past month total apparent stocks of newsprint paper held by all United States publishers increased 31,556 tons to 629,778 tons at the month end. The latter figure compares with 402,663 tons a year ago and 366,566 tons at the end of March, 1940.

The gain in publishers' stocks over a year ago was 56%. March's increase in total apparent stocks was the 10th consecutive, the rising series having commenced last June.

U. S. Advertising Linage Holds Near 1941 Level

From Our Own Correspondent

MONTREAL.—All advertising in the United States but retail and financial declined during March, judged by the returns for 52 key cities compiled by Media Records Inc. Total advertising in March was 106.9 million lines, against 114.4 million lines in the same month last year.

Retail and financial advertising showed a slight gain while general advertising was down slightly. Automotive advertising was only about a third of what it was a year ago.

A Good Name
For over 70 years the name Maclaren, in the Ottawa Valley, has stood for fair dealing and a quality product.
Newsprint—Groundwood
270,000 h.p. Hydro Power Installed capacity
MACLAREN POWER & PAPER COMPANY
Maclaren-Quebec Power Company
The James Maclaren Company Limited
BUCKINGHAM, QUEBEC

The GREAT LAKES PAPER COMPANY Limited
Manufacturers of
HIGH-GRADE NEWSPRINT and SULPHITE PULP
A modern mill affording an annual capacity of 113,000 tons newsprint, also excess sulphite mill capacity sufficient to provide 15,000 tons annually of unbleached sulphite pulp for export.
PAPER MILL AT FORT WILLIAM, ONTARIO
TORONTO OFFICE 55 YORK STREET
DIRECTORS
HON. EARL ROWE President
A. D. COBBAN Vice-President
L. E. ALDRICH
RAY LAWSON
W. J. PALMER
C. B. SHIELDS
R. G. MEECH, K.C.
SEN. N. M. PATERSON
J. E. GEFAELL Vice-president in charge of sales
C. ENGLAND Assistant to the President and Secretary-Treasurer

GLOBE ENVELOPES
Makers of Well Gummed Envelopes
Montreal TORONTO Winnipeg
WITH BULLDOG GUMMING
ENVELOPES of all types!

RED DEER BRAND
BIRCH and HARD MAPLE FLOORING
"This name has long been associated with High Grade Hardwood Flooring and Northern Hardwoods; Spruce and Hemlock."
RED DEER BRAND
The MUSKOKA WOOD MFG. CO., Limited
HUNTSVILLE - ONTARIO

DONNACONA INSULATING PRODUCTS
FOR EVERY INSULATING PURPOSE
Alexander MURRAY & Company LIMITED
MONTREAL TORONTO HALIFAX
SAINT JOHN WINNIPEG VANCOUVER

Abitibi Power & Paper Company, Limited
TORONTO, ONT.
Owning directly or through subsidiary companies, mills at
Beaupre, Que. Iroquois Falls, Ont.
Pine Falls, Man. Smooth Rock Falls, Ont.
Sault Ste. Marie, Ont. Fort William, Ont.
Port Arthur, Ont.
Newsprint
Groundwood Pulp News Sulphite Pulp
High Grade Bleached Sulphite Pulp

CANADIAN BANK NOTE COMPANY
LIMITED
STEEL ENGRAVERS AND PRINTERS
of
Bank Notes, Bonds, Stock Certificates, Postage and Revenue Stamps
and all Documents of a Monetary Character
Head Office: 224 Wellington Street, Ottawa
Branch 25 King Street West, TORONTO
Branch 360 St. James Street West, MONTREAL

London Calling

by Adelphi

LONDON.—Sir Kingsley Wood has added another budget to his tally. What is more he has enhanced his reputation at a time when every reputation needs buttressing. For two hours and a half he addressed the House of Commons and his voice never weakened although it by no means is a strong one. He conformed to the time honored tradition of keeping the House in suspense as long as possible but he did not take a drink out of a glass when he came to the tax on spirits. This pantomime has been rigidly observed from the time that spirits became a source of taxable revenue and even Lady Astor's cheers were somewhat subdued as a result. Nancy Astor is still a fanatical prohibitionist and, next to total abstinence, she likes to see the whisky and beer drinkers taxed to the limit.

Mr. Montagu Norman, looking like a cross between Shakespeare and Shylock gazed at the ceiling from the distinguished strangers' gallery, as if he were trying to remember a forgotten sonnet. That day he had just been re-elected Governor of the Bank of England for, I believe, the 23rd time. Governors used to be elected for two years. Montague Norman seems to have forgotten that and even his best friends won't tell him.

* * *

Lyttelton Rising

The new man on the political horizon is Captain Oliver Lyttelton, Minister of Production and member of the war cabinet. When he returned from his post as Minister of State at Cairo to take up his new duties he contracted 'flu and spent a fortnight in bed. That may not have been a bad thing for he was no doubt able to spend much time studying the intricacies of production. Eventually when the 'flu had flown he went to the House of Commons to open and close a two days' debate on the knotty question of producing war material.

In his opening speech he was suave and pleased the House by saying that it would be a great help to be in close touch with the members and thus enjoy their criticisms and suggestions. But when he wound up, late on the second day, he showed that he had no intention of observing a one way traffic when it came to criticism. For example, I must mention the contretemps he had with that brilliant but disappointed lawyer M.P. Mr. Clement Davies. With a nice play on words Lyttelton said: "I think the wit which he directed along the length of the Treasury Bench was of a very **inclement** character. If it were not for the great courtesy with which I have always been treated by my honorable and learned friend the Jeremiah from Montgomery (Mr. Davies) I should hesitate before saying what I propose to say."

Then he knocked Clement Davies all around the ring, taunting him and luring him on, then flooring him. Finally, he said: "I wish to say seriously that in spite of his desire to serve the national interest he has done great disservice. It is not good that an honorable and learned member of his standing should go up and down the country crying 'Stinking fish!' "

Clement Davies leaped to his feet and protested "I have never called 'stinking fish!' upon the people of this country," he cried.

"Perhaps the fish are on the Government Front Bench," retorted Lyttelton.

"Ah," said Davies, adroitly, "on the Front Bench," and sat down.

But Lyttelton did not stop there and went hotly after other members who had indulged in the national pastime of proclaiming that Britain never does anything well.

* * *

Out of the Groove

Verily Oliver Lyttelton is a man worth watching. In background he comes in the established groove—Eton, Oxford, the Grenadier Guards, a member of a distinguished family and married to the daughter of a duke. But in type he is an individualist. He won the D.S.O., the M.C. and three mentions in dispatches in the last war which was not an easy thing to do in the guards who have it as their tradition that a guardsman always gives his best in battle. After 1918 he entered industry and became eventually the managing director of the British Metal Corporation, a position of much influence and carrying a big salary. At Mr. Churchill's invitation he gave it up to become president of the Board of Trade when the present government was formed.

He is not a good speaker—yet he possesses a fine voice but has that unfortunate English habit of running four or five words into one. I must say though that he was clear enough when he went after Clem Davies.

* * *

Life in London

Many things are happening in the old metropolis on the Thames. For one thing London, from having been a half deserted village, is now becoming overcrowded. It is many months since Hitler's bombers have paid a visit and the consequence is that the Londoners are returning to their lair.

A year ago you could almost get rooms at a hotel for a song provided you took your meals on the premises. Now it is a job to get a room at all. At luncheon or dinner you are out of luck unless you have ordered a table in advance. As for the theatres, they are full up almost regardless of what is offered on the stage. People have come to like 5.30 and 6 p.m. as starting times for the evening performances. The well-to-do can now dine in comfort after the show, while the others can have what is known as a "high tea" and perhaps a snack when they get home.

There are curious discrepancies in the matter of restaurant food. You could have a dozen oysters or a portion of caviar at the Savoy but if you asked for a boiled egg or any other degree of egg the waiter would merely smile benignly and shake his head. One egg a fortnight is the ration but I cannot remember my ration having turned up for at least six weeks. As for wine the situation is becoming both serious and serio-comic. As the available supplies of champagne dwindle so the price soars. £3 a bottle is not unusual and the price is certain to advance beyond that. Liqueurs are practically unobtainable with the result that science is coming to the aid of nature. They are manufacturing liqueurs in Britain now as well as fabricating whiskey and other drinks. The word "Hooch" has been recovered from the debris of American prohibition and many a reveller finds himself seriously ill the next day.

Cigars are disappearing and soaring at the same time. You can pay from 7/- to 9/- for a good cigar now.

All this is supremely unimportant in relation to the war but the habits of a people are part of their lives and as a contemporary historian I thought I should just let you know what is happening on the restaurant front in London.

* * *

A Terrific Swell

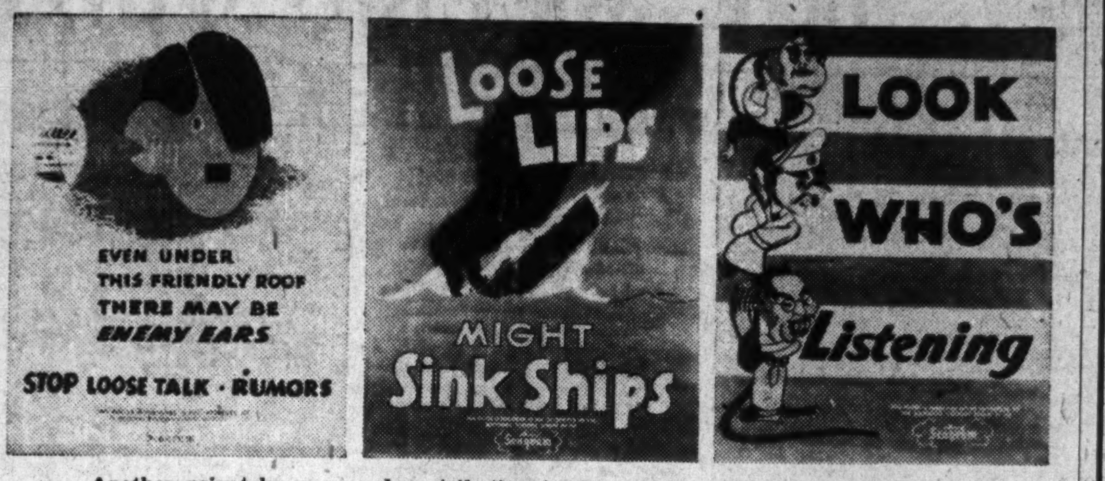
Jawaharlal Nehru is a strange man and a stubborn, relentless opponent. Like Churchill he went to Harrow and, afterward, to Cambridge. He is not only a zealous reformer but, according to the Indian caste system, he is a terrific swell, being a Kasmiri Brahmin, the highest aristocracy of birth and brain. His father was a famous lawyer-statesman and the Nehru could have had an easy road in life. Instead he fell under Ghandi's influence and has spent a good deal of his time in jail as a result. He has been Secretary of Congress for 10 years and president three times.

I met him a few years ago in London and found him coldly anti-British and unwilling to concede a single good point in our administration of the sub-continent. But perhaps after a man has been sent to prison no less than eight times he is entitled to a certain bias.

I cannot imagine him ever being content with less than India's complete independence.

He is dignified, calm, cultured, tired and never smiles. He has two great loves—India and his daughter who has spent most of her life in London.

Rumor and Gossip Mufflers


EVEN UNDER THIS FRIENDLY ROOF THERE MAY BE ENEMY EARS
STOP LOOSE TALK · RUMORS
LOOSE LIPS MIGHT Sink Ships
LOOK WHO'S Listening

Another privately sponsored contribution to the prosecution of the war effort is that of The House of Seagram, which is distributing four-color reproductions of these posters, 18½ inches by 24½ inches, from coast to coast, to office buildings, factories, etc.

Canada Steamship Lines faces the prospect of an exceptionally busy year. Bulk freight, especially iron ore, is expected to reach record proportions. Packet freight business also promises to be good. The passenger business is uncertain, but overall indications are that every boat owned by the company will be fully employed during 1942.

New Books . . .

The Road Ahead

THE ROAD WE ARE TRAVELLING, 1914-1942. By Stuart Chase, Twentieth Century Fund. New York. Price $1 U. S.

This is the first of a series of books planned by the Twentieth Century Fund under the general heading of "When the War Ends."

That now is the time to plan for postwar everyone admits, and that Stuart Chase can write a very readable book on matters both complex and profound is also generally admitted.

His basic explanation of the immediate past stems from his claim that ". . . behind us lies the most abnormal century in economic history."

"American 'normalcy' was built on an active construction industry—which began to taper off in 1928; on the automobile industry—which reached a replacement market toward the end of the decade; on installment credit—which had an ultimate ceiling; on foreign loans—which went sour before the decade was over; on the stock market boom—which with stocks selling in no tangible relation to their earning power, made less and less sense as the decade wore on."

For the future Mr. Chase sees different goals, both for America and for the individual American: "The desire for security is displacing the desire to make a million . . . to feel that they are part of a living community."

Author Chase offers a post-war platform:

Full employment. "All men and women seeking work which cannot be found in private industry should be employed by the state. If citizens are going to be guaranteed minimum standards on the one one hand, they must help provide those standards by their labor on the other. Congenital loafers may be cared for in sanatoriums."

Full and prudent use of material resources: "Idle plant and idle machines must become as great a scandal as idle men. Natural resources, however, especially soils, waters, forests, must be utilized without progressive deterioration of these assets.

He also wants a guarantee of the five essentials for everybody—food, housing, clothing, health services and education. He wants social insurance, old age, sickness, accident, temporary unemployment, childbearing. He wants minimum wages, maximum hours, minimum standards of working conditions in every branch of employment.

"Where is the money coming from? It will come from the same place that the bombers, tanks and battleships are now coming from—out of the full employment of the people."

Plight of a Neutral

BELGIUM: The Official Account of What Happened 1939-40. Published for the Belgian Ministry of Foreign Affairs, by Didier Publishers, New York.

Belgium's tragic place in the first part of this war is presented in this small volume based on official accounts.

Belgium, like her neighbor, Holland, tried faithfully to continue neutral, but at the same time made substantial efforts to build up her defenses. Just how substantial these were is indicated by the fact that the German army required 18 days of violent fighting to force capitulation, or almost as long as to subdue France.

Not until a German plane carrying secret documents covering the coming invasion crashed in Belgium in Jan., 1940, was the Belgian government sure that an actual attack by the Nazis was coming.

This book covers the whole period of the fighting in Belgium, with maps and chief orders, and it also publishes documents relating to the country's uneasy neutrality preceding the invasion, and the secret documents found on the crashed German plane.

How France Disintegrated

THEY CALLED ME CASSANDRA. Memoirs of Genevieve Tabouis. Published by S. J. Reginald Saunders, Toronto. Price $3.50.

This is a record of the tawdry years of French diplomacy, the years before this war when the Daladiers, the Paul-Boncurs and the Blums were weak: when the press was corrupt, the Lavals and the Bonnets crooked and the public indifferent. In these years Hitler rose to dynamic power. By open propaganda and direct bribery of press and politicians he was able to keep the French people between dopery and fear. All they wanted was not to have to fight. When the war came they could not fight because their leaders—whether leaders of the Right or of the Left—had given them nothing to fight with and had inspired them with nothing to fight for.

In her unique, gossipy manner, Madame Tabouis tells her own eyewitness story of the innumerable conferences in Paris, Moscow, Geneva, London, Lausanne and elsewhere that sought to bring peace to Europe and only succeeded in making war one-sided when it came. There is much of the flavor of back-stairs gossip in the book. Madame Tabouis pours out private conversations. She talks about mistresses and the personal habits of statesmen as much as about protocols and state dinners. There is no hero in her memoirs, unless it be poor Briand, sick and weary, trying to weave the tangled skeins of diplomatic intrigue into a pattern of peace.

Madame Tabouis has been a significant figure in European journalism for two decades. A niece of Jules Cambon, she had entree to the highest diplomatic and political circles. She started to write; her news despatches proved sensational because in the paper for which she worked, "L'Oeuvre," she made it her practice to publish the facts and not the cooked up "statements" put out by diplomats to fool the public. She was the bitter enemy of Germany and Italy and a strong supporter of a policy of collaboration between France and Russia. There are those who hold that Tabouis' imagination has always been better than her information but that overlooks the scores of important scoops she first gave to the world. And if the account of how Hitler's friends in France sought to break down French morale is only 10% true it is still a sensational story.

How she got her scoops, how she flew from spot to spot in Europe in company with France's foreign ministers and premiers, comprise the subject matter of her memoirs. There were times, she records, when she did not spend more than 24 hours at a time in one city. And even then she was constantly on the telephone to other centres, gathering facts and gossip.

There are a thousand quotable stories in this book, inside stories of Paris, Geneva and London and Berlin. They throw light upon the public and private lives of men whose names have made news for 20 years; perhaps more on their private lives—their good qualities and their bad habits, the groups who influenced or controlled them, the women who so often made or broke them.

It is not a pretty picture, this picture of France between Briand and Laval. It's a picture of a nation rotting like a decomposing corpse. But it's a picture worth studying, for Madame Tabouis shows how France's so-called leaders carried her to her destruction by knavery, cowardice, ignorance and selfishness.

Many British statesmen are mentioned. To them Tabouis is friendlier than to her own people.

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When the government wartime programme calls for money, be prepared. Be in a position to write your cheque. Have a balance in your savings account constantly growing. Open an account with the Canada Permanent and make deposits regularly and systematically.
2% on Savings—Safety Deposit Boxes $3 and up —Mortgage Loans.
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Head Office, 320 Bay St., Toronto
Assets Exceed $66,000,000.

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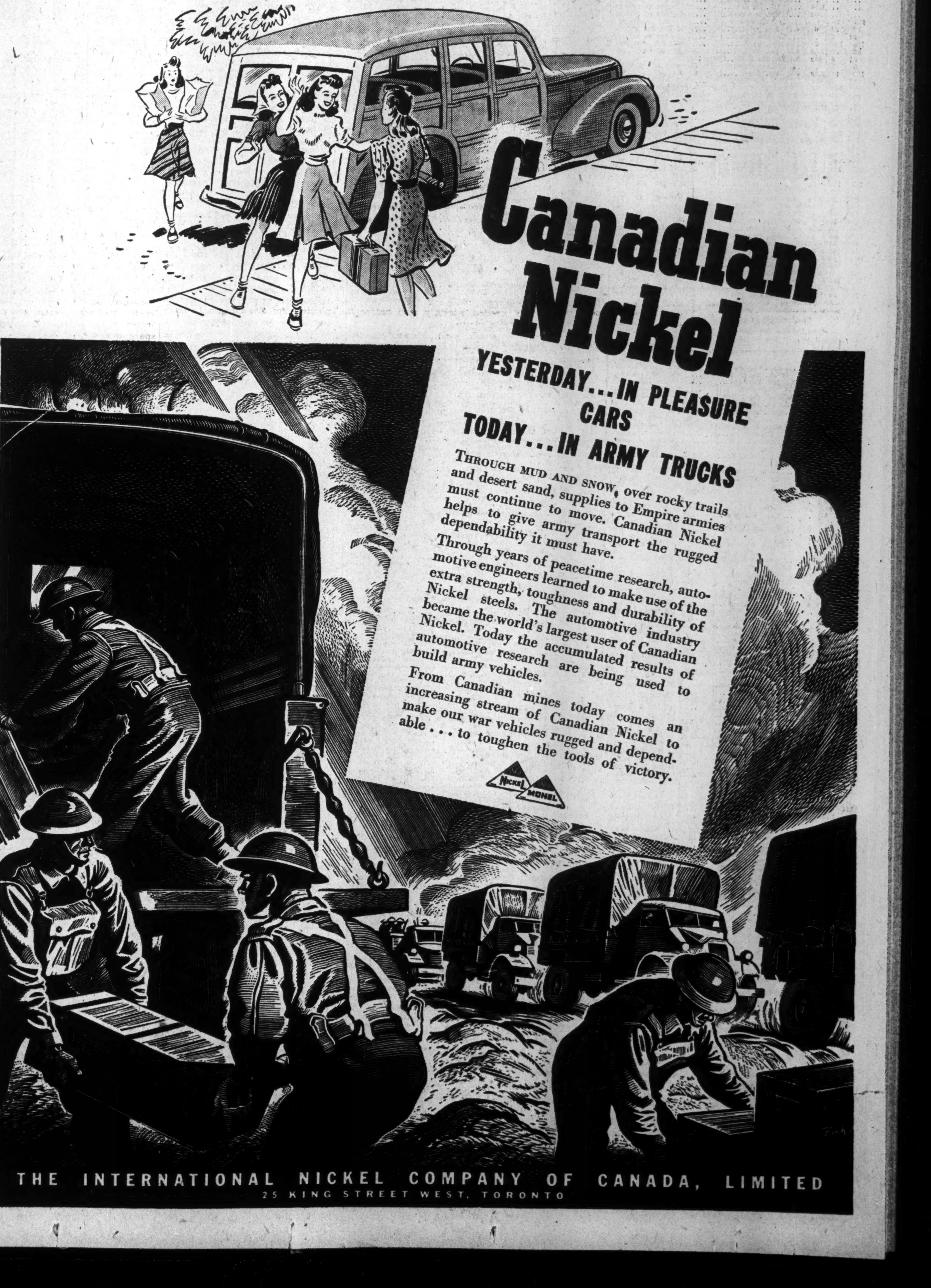

Canadian Nickel
YESTERDAY...IN PLEASURE CARS
TODAY...IN ARMY TRUCKS
THROUGH MUD AND SNOW, over rocky trails and desert sand, supplies to Empire armies must continue to move. Canadian Nickel helps to give army transport the rugged dependability it must have.
Through years of peacetime research, automotive engineers learned to make use of the extra strength, toughness and durability of Nickel steels. The automotive industry became the world's largest user of Canadian Nickel. Today the accumulated results of automotive research are being used to build army vehicles.
From Canadian mines today comes an increasing stream of Canadian Nickel to make our war vehicles rugged and dependable . . . to toughen the tools of victory.
THE INTERNATIONAL NICKEL COMPANY OF CANADA, LIMITED
25 KING STREET WEST, TORONTO

THE WEEK'S QUOTATIONS

Toronto and Montreal Exchanges

The following table is confined to official prices for listed stocks, including curb market quotations. Where no transaction is recorded, bid and asked prices are given. For unlisted stocks, quotations by unlisted dealers are published. The Financial Post cannot accept any responsibility for such quotations.

WEEK ENDING APRIL 27

A

Range 1942 High	Low	Div R'te $	Apr25 Y'ld %		Sales	Last Apr. 20	Week end. Apr. 27 H	L	Cl'se
.75	.40	.	...	Abitibi	500	.55	.60	.55	.55
7	4½	.	...	Do. pref. 6%	290	5¼	5¼	5	5
25	13	.	...	Do. pref. 7%	1	13	25	25	25
3	3	.	...	Acme Glove	....	(3 bid 3½ asked)			
60	50	6.50	12.3	Do. pref.	....	(— bid — asked)			
13	12	80+20c	8.3	Agnew Surp.	....	(12 bid — asked)			
110	109	7	6.4	Do. pref.	....	(— bid — asked)			
.90	.75	.	...	Alta. Pac. Gr.	....	(— bid .85 asked)			
27	21½	.	...	Do. pref.	10	22	21½	21½	21½
9½	8½	.	...	Algoma Steel	50	8½	8½	8½	8½
82	82	5	6.1	Do. pref.	....	(83 bid 92 asked)			
109	96	8+2	10	Aluminium	870	101¾	102	100	100
115	112	6	5.3	Do. pref.	....	(113½ bid — asked)			
7½	6	25c	...	Amal. Electric.	....	(6 bid — asked)			
†37	37	60c	1.6	Amer. Cyn. B.	....	(33 bid — asked)			
41	40	2.75	6.8	Ang. Can. Tel. p	....	(— bid 41 asked)			
19	17	60+60c	6	Asbestos	698	18	18	18	18
18½	14	1.75	12.5	Assoc. Brew.	....	(— bid 14½ asked)			
110½	109½	7	6.3	Do. pref.	5	109½	110½	110½	110½
†1	1	.	...	Assoc. T. & T.A.	....	(— bid — asked)			
124	24	96c	...	Do. pref.	....	(— bid 23 asked)			
102	102	5.50	5.4	Ault & Wiborg	....	(102 bid — asked)			

B

Range 1942 High	Low	Div R'te $	Apr25 Y'ld %		Sales	Last Apr. 20	Week end. Apr. 27 H	L	Cl'se
150	142	8	5.4	Bk. Can. Nat.	55	149	149	148	148
189	182	8	4.3	Bk. Montreal	202	182	182½	182	182
274	269	12	4.4	Bk. N. Scotia	14	273½	273	273	273
255	228	10	4.3	Bk. Toronto	28	230	230	228	230
8¼	8¼	35c	...	Barber Ellis	....	(6 bid — asked)			
.5	4¼	.	...	Barcelona	....	(— bid — asked)			
1.00	.50	.	...	Barker's Bread	15	.50	1.00	1.00	1.00
16	12	.	...	Do. pref.	50	14	16	15	15
14½	13½	1+25c	9	Bathurst Pr.	100	13½	14	13½	13½
2¼	1	.	...	Do. (B)	20	1½	1½	1½	1½
5	3½	.	...	Beath & Sons	....	(4½ bid 6½ asked)			
8	6½	.	...	Beatty Bros.	....	(6½ bid 7 asked)			
110	102	6	5.4	Do. pref.	105	109	110	109	110
90	76	7	7.8	Do. 2nd pref.	....	(86 bid 95 asked)			
9½	9½	.	...	Beauharnois	210	9½	9½	9½	9½
81	81	4+2	7.4	Belding Cort.	....	(80 bid 86 asked)			
124	115	7	6	Do. pref.	10	115	116½	116½	116½
150½	142	8	5.5	Bell Telephone	398	142½	144½	142½	144½
6½	6½	30+5c	5.2	Bertram & Sons	....	(6½ bid — asked)			
7½	6½	60c	8.9	Biltmore Hats	100	6½	6½	6½	6½
3	2½	.	...	Blue Ribbon	....	(2½ bid 3 asked)			
32½	30	2.50	8.3	Do. pref.	....	(— bid 29½ asked)			
10½	10½	60c	5.6	Blue Top Br. A.	....	(9½ bid 9½ asked)			
10½	8	.	...	Do. "B"	....	(— bid 29½ asked)			
20½	20½	1.30	6.3	Brant. Cord. pf.	....	(20½ bid 23½ asked)			
8¼	6	40c	...	Brazilian Tr.	814	7½	7½	7½	7½
5¼	4½	50+10c	13	Brew. & Distil.	25	4½	4½	4½	4½
†6½	6½	30c	4.6	Bright, T. G.	....	(6½ bid — asked)			
†90	90	6	6.7	Do. pref.	....	(90 bid — asked)			
18	13	1	7.3	Brit. Amer. Oil	2306	13½	13½	13½	13½
16	12	1.50	...	B. C. Packers	101	13½	13½	12	12
22	18	2	10.8	B. C. Power A.	185	18½	19	18½	19
1.25	.90	.	...	Do. (B)	25	1.00	.90	.90	.90
6	4½	20c	...	Bruck S. Mills.	....	(5 bid — asked)			
13½	11½	70+10c	6	Building Prod.	358	13½	13½	13½	13½
8	7½	60c	7.5	Burlington St'l	....	(8½ bid 8½ asked)			

Government Bonds

(Supplied by Investment Dealers' Assoc. of Canada)

April 29, 1942

Dominion of Canada Bonds

%	Due	Bid	Ask.	Approx. Yld.
3	Oct. '42	100¾	101⅛	.50
2½	June '43	101⅛	101⅜	1.04
5	Oct. '43	104¼	105⅛	1.45
5	Oct. '43	104¾	105¼	1.47
2	June '44	100¾	101¼	1.42
1½	Sept. '44	99½	100	1.50
a2½	Jan. '44	99½	99½‡	2.52
4½	Oct. '44	106⅝	107¼	1.62
3	Nov. '44	102	102½	1.52
a2½	Aug. '45	98½	99‡	2.81
a4	Oct. '45	103	103⅞	b1.46
3	Mar. '45	100½	101	1.65
2	Dec. '46	99½	99‡	2.05
4½	Feb. '46	108½	109¼	1.95
2½	Mar. '48	99½	100	2.25
3½	June '49	102¾	103¼	b2.36
3½	Oct. '49	102	102½	b2.39
3½	Nov. '51	101⅞	102⅜	b2.84
3½	Feb. '52	101½	102¾	a2.93
a5	May '52	100½	101‡	...
4	Oct. '52	105¾	106¼	b2.75
a3	June '51	99½	100¼	3.07
3	Oct. '52	99½	99⅞	3.03
3	June '55	99½	100	3.00
4½	Nov. '56	107	107½	b2.66
a3	Mar. '54	99½	100	3.07
4½	Nov. '57	107½	108¼	b2.85
3	June '58	99	100⅝	2.92
4½	Nov. '58	108⅞	109¼	b2.90
4½	Nov. '59	109⅜	110⅛	b2.95
a4	Oct. '60	104½	†105⅛	b3.29
a3½	Jan. '61	98½	99‡	3.32
3½	June '66	101	101⅝	b3.10
a3e	Jan. '67	95½	96‡	3.23
a3e	Nov. '68	95½	96‡	3.22
†3	Perpet'l	94½	95½	3.15

Dominion Guarant'd Bonds Can. Nat'l. Railways:

%	Due	Bid	Ask.	Approx. Yld.
2	Feb. '43	100½	101	.95
2½	Jan. '46	100⅝	101¼	1.85
3	May '44	102½	103¼	1.50
3	Dec. '50	99½	100	3.00
3	Jan. '59	98½	99	3.08
*4½	Sept. '51	117½	118½	2.30
*4½	Feb. '56	118	119	2.85
4½	July '57	118½	119½	2.92
3	Feb. '53	98½	99½	3.03
4½	June '55	120	121½	2.82

%	Due	Bid	Ask.	Approx. Yld.
5	Feb. '54	117¾	119	3.09
*5e	July '69	117½	118½	...
*5e	Oct. '69	122	123½	b2.20
*5e	Feb. '70	122	123½	b2.34
Can. Nat. W. Ind. S. S.:				
*5	Mar. '55	121½	123	2.87
Grand Trunk Pacific Rly.:				
3	Jan. '62	101	102	2.87
Provincial Gov't. Bonds				
New Brunswick:				
3	Oct. '51	92	94	3.75
3½	Aug. '49	95	97	3.72
3½	June '56	95	97	3.77
c4	Nov. '47	104	106	b2.25
c4½	Apr. '61	107	109	3.83
c5	Jan. '60	110	112	4.05
Nova Scotia:				
3	Jan. '52	95½	98½	3.17
3½	June '56	98½	100	3.25
3½	Nov. '50	100	102	3.23
c4½	Sept. '52	107½	109	b2.73
c4½	Nov. '60	111	113	3.55
c5	Mar. '60	117½	119½	3.54
Ontario:				
2½	May '45	100	101	2.17
3	Apr. '48	99½	100½	b2.88
3	Nov. '50	99	100½	3.00
3½	Nov. '51	100	102	b2.95
3½	May '55	99½	102	b3.02
*4	June '62	109	112	3.20
4½	June '50	109	110	3.13
*4½	Jan. '62	116	118	3.27
5	Oct. '48	110½	111½	3.00
*5	Dec. '60	121½	123½	3.32
5½	July '46	109	110½	2.90
Ont. Hydro Commission:				
3	Aug. '48	100	101	b2.74
3½	Feb. '53	100½	101½	b3.03
3½	Apr. '47	102½	104½	2.54
Prince Edward Island:				
4	Mar. '54	100	102	3.80
Quebec:				
3	Nov. '47	98½	99½	3.10
3½	Mar. '48	99½	100½	3.15
3½	Mar. '59	99½	100½	b3.45
4	Nov. '52	102½	104	b3.46
3½	Feb. '55	101	102½	b3.45

%	Due	Bid	Ask.	Approx. Yld.
4½	Aug. '58	106	109	3.52
4½	Jan. '63	111	113	3.62
Alberta				
4½	Oct. '51	70	..	d
4½	Oct. '56	66½	68½	d
4	Dec. '56	65	67	d
*5	Oct. '59	70	72	d
c5½	Apr. '52	71	73	d
6	Mar. '47	73	75	d
British Columbia:				
c4	Dec. '57	101	103	3.75
*4½	Jan. '51	104	107	3.56
c4½	Oct. '53	107	109	3.54
c5	Apr. '54	111	113	3.65
5½	Feb. '45	103½	105½	3.44
6	Feb. '47	106½	108½	4.07
Manitoba:				
c4	Dec. '37*	97½	99½	4.08
c4½	Dec. '56	99½	101½	4.38
*5	Dec. '59	103	105	4.59
5½	Oct. '55	103½	105½	4.94
6	Apr. '47	104	106	4.44
Saskatchewan:				
4	Sept. '54	81	83	5.95
4	Nov. '60	79	81	5.67
c4½	Oct. '51	89	91	5.74
c4½	Mar. '60	85½	87½	5.81
5	Aug. '58	88	90	5.98
5½	Oct. '52	94	96	6.02
6	Mar. '52	96	98	6.30

*—Payable Can., N.Y. and £. b—Calculated to call date giving lowest possible yield. c—Payable Can. & N.Y. a—Payable N.Y. †—Callable on or after Sept. 15, 1966. d—Traded flat. Interest being paid at 50% of coupon rate, minimum rate 2%. e—Callable at a premium. ‡—N.Y. funds. ♦—Calculated to 1950 average maturity. ▲—Callable on or after earliest maturity shown and payable at maturity at 101.

Unlisted Stocks

(Furnished by A. J. Pattison Jr. & Co., Toronto)

Apr. 28, 1942

Industrials:	Bid	Ask.
Acme Farm., pf.	45	48
Andian National	26½	27½
Anglo C. Tel., A	6½	7½
Atlas Steel	19½	22
Brand. Hen., c.	3½	4½
B. C. Pulp, c.	9	10½
Do., pfd.	65	70
B. C. Sugar	64	67
B. C. Tel., 1st p.	105	..
Brown, com.	1½	1½
Do., pfd.	25½	27½
Burns & Co., A	3	4
Do., B	1½	2½
Can. Co-op. Wl.	8	..
Can. Indust., A	143	..
Can. Airways	1½	1½
Can. Ing. Rand	70	..
Can. Mot. L.A.B.	5½	..
Can. Tube, 1st p.	78	81
Chase, A. W., p.	18	19½
Colonial Realty	2½	..
Colonial Steam.	35	37½
Corr. Pap. Box c	1	2
Copeland Fl. un.	12½	15
Dunlop T. p. $25	15½	18
Easy Wash. p. $10	9½	10½
Galt Brass. c.	6½	..
Goderich Elev.	6½	7½
Guard. Realty, p	12½	15
Guelph Carp., c.	16½	18½
Gurney Fdry., p	1½	2
Hayes Steel, c.	14½	15½
Hi'land Dairy, p	..	49
Inglis, John	3½	4½
Ingram & Bell, p	93	..
Kingst. Ship., un	37	39
Do., com.	6½	7½
Loblaw, Inc., c.	11½	12½
Minn.&Ont. P. c.	3½	3½
M'row Screw, p.	101	105
Do., com.	13½	16
Morrison Br. un	4½	5½
Moirs, Ltd.	18	21

	Bid	Ask.
Neilson, Wm., p.	101	..
N. Meth. Ldy., p	64	..
Ont. Tobacco. p.	19	20
Pac. C. Term., c.	..	6
Prov. Paper, pf.	100	101½
Quinte Milk	2½	3½
Stand. Fuel, p.	50	53½
Do., com.	..	1½
Stedman, pf. $50	53½	56
Sutton Horsley	½	1
Tor. Carpet, c.	60	..
Do., pfd.	68	72
Un. F. Co-op.	2½	3½
Un. Steel, A pf.	20½	22
Viceroy Mfg., c.	12	..
Trust & Loan Stocks:		
Brit. Mtge.	123	132
Brockville Tr.	42	..
Capital Tr.	28	31
Comm. Fin., c.	4½	..
Grey&Br. Tr. $50	43	..
Guaranty Trust.	100	104
Guelph & O. $50	50	53
Indust. Mtge.	23	..
Lambton Loan	30½	33½
Midland Loan	14½	16
Premier Trust	30	36
Sherbrooke Tr.	120	..
Sterling Trust	51	56
Th. Can. Inv. Tr.	1½	1½
Traders Fin. A c	3½	5
Do. A pfd.	57½	61
Trusts&Gr., new	30	34
Victoria Trust	67	70
Waterloo Trust	100	..
Insurance Stocks:		
Canada Life	340	365
Brit. Amer.	50	52
Canadian Fire	79	81
Confed. 30% pd.	127	135
Cons. Fire Cas.	3½	..

	Bid	Ask.
Continental L.	30	35
Crown, fully pd.	280	285
Dominion Fire	136	..
D. of Can. Gen.	112	120
Empire, 25% pd.	5	6
Excelsior 40% pd	70	74
Great-West Life.	200	210
Federal, 25% pd.	53	55
Halifax Fire	14½	16
Imperial Life	260	270
Manufac. Life	216	221
Monarch Life	32	35
National Life	7	12
Sov. L., 25% pd.	12	14
Sun Life	220	240
Tor. General	4½	5½
Wellington Fire.	58	..
Western Assce.	38	40
Theatre Stocks:		
Allen's, St. Cath. units	54	57
Do. Kings'n un	62	66
Loew's London p	2½	3½
Mansf. Theat., p	30	32
Para., Kitch., p	50	..
Do., Oshawa, c	7½	9½
Investment Trust Shares:		
Can. Investors	4½	5
Inv. Found. un.	43	44½
Sec's. Hold., pf.	18½	20
United Corp., A	20	22½
Do., B	4½	5½
Power Issues:		
Can. W. N. Gas	25	30
Do., pfd.	100	..
Gt. Lakes Pr., p	101	104
Int. Util., $1.75 p	9½	13
Do., $3.50 pf.	28	..
Mtl. Isl. Pwr. p.	42½	..
Nor. Ont. Pr. p	72	78

Unlisted Mines

Toronto, April 28, 1942

	Bid	Ask
Albany R (Old)	.02½	.03½
(New)	.05	.10
Amal Kir	.03	.04
Anoki	.01	.02½
Aquarius	.12	.17
Arjon	.02	.03½
Armistice	.02	.05
Argosy	.03	..
Area	.02	.04
Arntfield	.01	.02
Athona (New)	.00½	.01½
Barb Lard	.01½	.02½
Brock	.02	.04
Calder Bo	..	.03
Can Rad	.07	.11
Central M	.01½	.01½
Cheminis	.01½	.02½
Coin Lake	.01½	.02½
Cons Chib	.02	.05

	Bid	Ask
Delpine	.03	.05
Desantis (New)	.06½	..
Dona Pat	.01	.02
Eastward	..	.07
Elmos	.04	.07
Franco	.13	.18
Galore	.00½	.01½
Goodrock	.26	.29
Hayes Cad	.02½	.03
Hoyle new	.09	.10
Hugh PaP	.02½	.03½
Kirk Gate	.00½	.01½
Kir Town	.03	.07
Lacoma	..	.01
Laguerre	.02	.05
Lake Duf	.20	.23
Lake Gen	.05	.08
Lw Pete	.14	.18
Magnet C	.25	.30
Magnet L	.07	.12

	Bid	Ask
Martin Bir	.01½	.02½
Mata Can	.02	.04
Mata Con	.11	.14
McMar'ac	.09	.11
Mof Hal n	.01	.02
Mosher	.04½	.06
McManus	.00½	.01½
Nat Mal	.09	.11
Nickel O	1.00	1.50
Norbeau	.16	.20
Norwin	.07	.08
N Ribago	.00½	.01
Numalake	..	.12
Oklend	.03	.04
O'Leary M	.03	.04
Opemiska	.05	.08
Orpit	.02	.03
Pascalis	.10	.14
Pontiac R (Old)	.03	.05
Pelangio	.01	.02½

	Bid	Ask
Polaris	..	.03
Proprie'y	3.00	3.25
Presdor	.02½	.03
Queb Mn	.23	.28
Rand Mal	.08	.11
Red Lake	.00½	.01½
Ritoria	.00½	.01½
Rouge	.01	.03
S.A.G.A.	.40	.75
Sachigo	4.50	5.00
Sheldon	.03	.04
Skynner	.01	.02
Springer	.10	.12
Stadacona	..	.08
Thomson	.07	.11
Union. Mn	.01½	.04
Wesley	.01	.01½
Y David'n	.14½	.18

Corporation Bonds

(Supplied by Investment Dealers' Association of Canada)

Apr. 28, 1942

Public Utility Issues:	Int. Rate %	Due	Bid Apr. 28	Asked	Bid Apr. 21
▲Alg. Cen. H.B.R.	5	'59	13½	13½	13
†Assoc. Tel. & T.	5½	'55	65	68	64
B. C. Power	4½	'60	99	101	98½
B. C. Tel.	4½	'61	106	108	106
†Calgary Pwr.	5	'60	105½	107½	104½
Do.	5	'64	103	105	103
†Can. Nor. Pwr.	5	'53	100½	102½	100½
*Dom. Gas & El.	6½	'45	104	107	103½
Gatineau Pwr.	5	'49	100½	102½	100
*Do., A	3½	'69	99½	101½	99½
♦Do., B	3½	'69	99½	101½	99
Gt. Lakes Pwr.	4½	'56	101	103	101
Do.	5	'57	97½	100½	97
*Int. Hydro-El.	6	'44	36	39	37½
▲Inter. Power	6	'55	100½	102½	100½
L. St. Law. Pwr.	5	'55	100	102	100
Macl'n-Que. Pr.	4	'59	101	103	100½
Mtl. L. H. & Pr.	3½	'56	103½	105½	103½
Do.	3½	'73	102	104	102
Do.	3½	'63	102	104	102
†Mtl. Tramways	5	'51	100½	102½	100½
†Do.	5	'55	78	81	77½
Nat. Lt. & Pwr.	6	'49	101½	103½	101
N. S. Lt. Pr.	4	'57	101	103	101
Ottawa L.H.&P.	4	'57	102	104	101½
Ottawa V. Pwr.	5	'59	101	103	101
†Power Corp.	4½	'59	90½	93½	90½
Quebec Pwr.	4	'62	102½	104½	102½
*Saguenay P.	4½	'66	106½	108½	106½
♦Do., B	4½	'66	106	108	105½
St. Maurice Pr.	4½	'70	103	105	103
Shaw. W. & Pr.	4½	'61	103	105	103
Do.	4	'69	103	105	103
Union Gas	4½	'50	100	103	100
*Twin C. R. Tr.	5½	'52	87	90	82
†United Secs.	5½	'52	70½	73½	53
‡Wpg. El. ser. A	5	'65	84	87	54½
Do., B	5	'65	71½	74½	72½
Industrial and Realty Issues:					
†Abitibi P. & P.	5	'53	60½	63½	62
Do., C.O.D.	5	'53	60	63	62
Acadia Sugar	4½	'55	101	104	101
Do.	6	'54	98½	101½	98½
†Alta. Pa. Grain.	6	'46	103	106	103
Algoma Steel	5	'48	101½	104½	101½
Atlantic Sugar	4	'51	100½	103½	100½
†B. C. Pulp & P.	6	'50	91½	94½	91½
‡†Do.	7	'50	107	...	107
*Brown Co.	5	'50	80	83	80½
Burns & Co.	5	'58	71	74	72
Canada Cement	4½	'51	103	105	102
Canada Electric	4½	'55	95½	98½	95½
Can. Paper	4½	'52	101	...	101
Can. Steamship	5	'57	102½	104½	102½
Can. Canners	4	'51	101½	103½	101½
*Can. Int. Paper.	6	'49	105½	107½	105½
‡Can. Locomotive	6	'53	100	103	100
‡†Candn. Vickers	6	'47	96	99	97
C. P. R.	3½	'51	97	99	97
Do.	4	'49	101	103	101
Col. Steamships	6	'54	101	103	101
†Consol. Paper	5½	'61	69	72	70½
Dom. Coal	4½	'52	99½	102½	99½
Dom. Scott. Inv.	4	'52	97½	99½	97½
Dom. Stl. & C.	6½	'55	105	108	105
Dom. Tar	4½	'51	101½	104½	101½
Dom. Woollens.	6	'53	96	99	95½
†Donnacona Pap.	4½	'56	77	80	76½
*Dryden Pap.	6	'49	100½	103½	100½
†East. Dairies	6	'49	78½	81½	79
Famous Players	4½	'51	99	102	99
†Federal Grain	6	'49	102	105	101½
†Fraser Cos.	6	'50	101½	104½	101½
Galt Brass	5	'50	93	...	93
Gen. Stl. Wares	4½	'52	100½	103½	100½
*Gt. L. Paper	5	'55	93½	96½	93
*Gurney Fdry.	5½	'49	86	89	86
†Gypsum Lime	5½	'48	101½	104½	101½
Ham. By-Pr. C.	5	'55	101	104	101
Do.	6	'56	100	103	100
Ham. Cotton	4½	'50	100½	102½	100½
Inter-City Bak.	5½	'48	102	104	102
Indust. Accept.	4½	'52	78	81	78
Ins. Ex. Bldg.	3	'51	46½	49½	46
*Inter. P. Nfld.	5	'68	98	101	97½
*Inv. Bond & Sh.	5	'47	41	44	41
†Kingston Elev.	5	'50	104½	107½	104½
Lake St. J. P.	5½	'61	84	87	85
Do.	5	'61	58½	...	61½
Legare	6	'61	89	92	88½
Maple L. M.	3	'58	80½	83½	80½
Man. Sugar	6	'60	100½	103½	100
Massey-Harris	4½	'54	96	99	95½
McColl-Fron.	4½	'49	101½	104½	101½
McCormicks	6	'52	96½	99½	96½
Do.	4	'53	104	106	104
Mercury Mills	5	'53	96	99	96
Mersey Paper	5	'57	97	100	97
†Do.	6	'48	99	102	99

Supplementary Stock Quotations

(Furnished by Plaxton, Cherry & McDonnell, Toronto)

Bid and asked as at Apr. 28, 1942, and change in bids, from previous week.

Miscellaneous Stocks:	Bid	Ask.	Chge.
Allens Kingston, pfd.	62½	65½	+½
†Allens Tor. Th., pfd.	32½	35	+½
Atlas Steels. 7% pfd.	104½	106	+½
Brantford Roofing	2.35	..	—.05
*Can. Gen. Rubber, pfd.	16½	22	+1
Can. Mach., new com.	8½	12	—½
C.P.R., 4% p. (£ par)	1½	2½	+½
Capital Wirecloth, pfd.	18½	22½	+½
Cawthra Apts., pfd.	2	..	unch
Century Finance, com.	..	28	unch
Claude Neon, pfd.	1.05	1.75	—.07
Comm. Life, 10% pd.	6½	7½	+½
Dairy Corp., pfd.	5½	..	+½
Dom. Alloy Steel, pfd.	.05	.20	—.05
Do., com.	.05	.20	—.05
Dom. Life, 70% pd.	177	206	—1
Dover Industries	6	6½	—½
Eastern Steel, pfd.	20	20½	+½
†Ft. Wm. Hotel, units	45	50	—1
Hart Battery, com.	4	4½	+¼
London & West. Trusts	31	33½	—½
Mont. Deb. Corp., pfd.	2	2.65	unch
Mt. Royal, new com.	3.10	3.75	+.05
Murphy Paint, com.	8½	9½	+½
Do., 5½% pref.	87	89	unch
Nat. Hosiery, com.	.75	.90	+.05
Do., pfd.	.80	1.10	+.05
†N. Amer. Elevator, pfd.	83½	..	+1
Do., 2nd pfd.	25½	..	—½
Do., com.	..	1½	—½
St. John Dry D., 5½% p.	100	102	unch
Seal-O-Sac	..	62½	unch
Sterling Rubber, 6½% p	25½	27½	+½
Supertest Pete., 6% pfd.	11½	14	+½
Tip Top Tailors Inc., un.	9½	11½	+½
Traders Finance, rts.	21½	23½	—½
Viceroy Mfg., 6% pfd.	.80	1.00	unch
Waterloo Mfg., new c.	2.00	..	unch
Wentworth Radio, pfd.	11	12	+½
West Can. Hydro, pfd.	9½	10½	+½
West. Life, 10% pd.	2½	5½	+½
York Trading, com.	..	..	..

- * Issue carries arrears.
- † Currently paying on arrears.

Corporation Bonds (Cont'd)

	Int. Rate %	Due	Bid Apr. 28	Asked	Bid Apr. 21
*M. & O. Paper	5	'60	102½	104½	100½
Moirs Ltd.	6	'53	81	85	84
†Mtrl. Drydocks.	6	'48	81	84	81
Montreal Apts.	4	'54	57	60	56
Nat. Grocers	4	'47	101½	...	101½
N. S. Stl. Coal	3½	'63	82½	85½	82
Price Bros.	5	'57	98	101	98½
Do.	4	'57	81	84	81
*Prov. Paper	5½	'47	104	107	104
Reliance Grain.	4½	'52	96½	99½	96
†Restigouche Co.	6	'48	101½	104½	101½
Rolland Paper	4½	'51	102	104	102
Ruddy, E. L.	6½	'48	84	88	85
Silv. Dairies	6	'66	93½	96½	93½
Simpsons, Ltd.	6	'51	100½	103½	100½
Smith, Howard.	4½	'51	102	105	102
Stand. Lime	6	'44	98½	...	98½
Sterling Coal	6	'45	98½	100½	98½
Stop Shop	3	'47	58½	60½	58½
United Amuse.	5	'56	100	103	...
United Corp.	5	'53	94	97	94
*United Gas	5½	'48	105	108	105
United Gr. Grs.	5	'48	100	103	100
†Western Grain	6	'49	64	67	65½

- *Payable in Can. or U. S.
- †Payable in Can., U. S. or U. K.
- ♦Payable in U. S.
- ‡Payable in Canada only.
- ‡Traded without accrued interest.
- ▲Payable in Can. or U. K.

Municipal Bonds

Apr. 28, 1942

	%	Due	Bid	Ask	Yld. %
†Halifax	5	1961	113.00	115.00	3.90
Hamilton	5	1950	109.00	112.00	3.23
Montreal	5	1945	100.50	..	..
Ottawa	4½	1945	104.75	106.25	2.45
†Quebec	5	1959	109.00	112.00	4.17
Saint John	5	1950	104.00	106.00	4.17
†Toronto	4½	1955	110.00	113.00	3.18
†Vancouver	5	1950	99.00	103.00	4.54
Winnipeg	5	1944	100.75	103.75	2.98

†Payable Can. & N.Y.

Investment Trusts

	Bid	Asked
Affiliated Funds	1.69	1.85
Can. Amer. Trust	2.50	3.00
Can. Inter. Trust	3.50	4.25
Can. Invest. Fund	2.75	3.05
Corporate Investors	5.11	5.50
Trans-Canada	8.40	9.25

Winnipeg Stocks

(Transactions from Apr. 20 to Apr. 25)

	Sales	High for period	Low for period	Close Apr. 25
Forty-Four	282	.05	.05	.05
Great-West Life	2	200.00	200.00	200.00
North. Can. Mtge. units	40	5.50	5.50	5.50
United Grain Growers	22	11.50	11.50	11.50
Western Breweries	100	1.95	1.95	1.95

Stocks Not Traded in During Week*

	Bid	Asked
Beaver Fire	75	..
Beav. Lumber, c	3	5
Beav. Lumber, p	101	103
Can. Indemnity.	130	..
Corr. P. Box	.60	..
Cres. Cream., p.	..	12
Dom. Envel., c.	..	8½
Dom. Envel., p.	..	96

	Bid	Asked
Fed. Grain, c.	.35	1¼
Grouped Inc.	..	4⅛
Home Invest.	25¼	..
Nor. Trusts	..	7
Traders Bldg.	44	..
West. Grain, p.	..	7
West. Steel	7	9

*Stocks more active on other exchanges not included.

Volume of Stock Sales

	Montreal Markets Indust.	Montreal Markets Mines	Toronto Markets Ind. & Mines	Vancouver Markets Ind. & Mines
Apr. 28	8,600	6,800	120,000	......
Apr. 27	7,600	3,800	125,000	2,875
Apr. 25	3,000	1,275	72,000	2,330
Apr. 24	8,600	2,200	154,000	4,863
Apr. 23	7,800	2,000	126,000	3,250
Apr. 22	8,000	3,600	*113,000	23,760

Annual Meetings

1942:	Company	Place
Apr. 30	Sturgeon R. Gold	Toronto
Apr. 30	Towagmac Explorat'n	Montreal
Apr. 30	United Amusement	Montreal
Apr. 30	Vulcan-Brown Pete.	Calgary
May 1	Lord Nelson Hotel	Halifax
May 6	Can. Pac. Railway	Montreal
May 6	Inter City Baking	Montreal
May 6	Internat'l Utilities	Baltimore
May 6	Inter-State Royalty	Montreal
May 6	Jam. Public Service	Montreal
May 7	Internat'l Mining	Wilmington
May 7	Sec. Inter-St. Royalty	Montreal
May 11	Gunnar Gold Mines	Toronto
May 13	Internat'l Paper	New York
May 27	Fafic Investment	Montreal

Mining Dividends

	Rate	Apr. 27	%
Anglo-Huronian	▲10c	1.75	..
Argus Interests	†4c	.25	..
Aunor Gold	16c	.90	17.7
Bayonne	†1c	.03½	..
Beattie Gold	16c	.60	..
Berens River	3c	.65	..
Bralorne	80c+40c	7.10	*16.9
Broulan Porc.	12c	.38½	..
Buffalo Ankerite	▲30c	.91	..
Bulolo Gold	$3	7.25	..
Can. Malartic	8c	.29	..
Cariboo Gold	16c+1c	1.10	*15.4
Central Patricia	16c+4c	.81	*24.6
Chesterville	15c	.71	..
Cochenour Willans	6c	.50	12
Coniagas	▲17½c	1.05	..
Coniaurum	16c	.67	23.9
Cons. Smelters	$1+$1.50	38.00	*6.6
Delnite	▲6c	.40	..
Dome Mines	$1.20	10.75	11.2
East Malartic	5c	1.27	..
Falconbridge	20c	2.90	..
Francoeur Gold	▲4c	.20	..
Goldale Mines	2c	.07	..
Gold Belt	▲2c	.14½	..
Grandview	▲1½c	.15	..
Grull Wihksne	†.00½	.01½	..
Hallnor	40c	1.90	21
Hard Rock	▲8c	.32	..
Hedley Mascot	8c	.26	..
Hollinger	65c+45c	7.25	*15.1
Howey Gold	▲4c	.14	..
Hudson Bay	$2	22.50	8.9
Inspiration	▲2c	.21	..
Inter. Nickel, com.	$2	29.25	6.8
Island Mountain	▲18c	1.02	..
Jason	4c	.15	..
Kerr-Addison	5c	3.30	..
Kerr Lake	5c	.50	..
Kootenay Belle	▲8c	.17½	..
Kirkland Lake	8c	.40½	..
Lamaque Gold	40c+15c	3.20	*17.2
Lake Shore	80c	6.85	11.7
Leitch	8c	.45¼	..
Little Long Lac	▲20c	.95	..
Macassa	32c+3c	2.03	*17.2
Madsen R. Lake	▲3c	.39	..
Malartic Gold	10c	1.25	..
McGillivray Coal	2c	.20½	..
McKenzie Red L.	12c	.58	20.7
Moneta	8c	.25	..
McIntyre-Porc.	$2.22+$1.11	37.50	*8.8
MacLeod-Cockshutt	10c	1.10	..
Negus	2½c	.32	..
Nipissing	15c	.83	18.1
Noranda	$4	43.00	9.3
North Empire	▲40c	3.75	..
O'Brien Gold	3c	.49	..
Pamour Porc.	18c	.50	..
Pato Cons.	20c+2c	2.00	*11
Pend Oreille	†6c	1.20	..
Perron Gold	16c+4c	1.04	*19.2
Pioneer, B.C.	40c	1.35	..
Pickle Crow	30c	1.44	20.8
Placer Develop.	$1.20	4.25	..
Premier	8c	.40	20
Preston E. Dome	20c	1.78	11.2
Privateer Mines	12c+1c	.26	..
Quebec Gold	2c	.20	..
Reno Gold	•20c	.03	..
San Antonio	14c+6c	1.42	*14.0
Sheep Creek	16c+1c	.70	*24.2
Sherritt Gordon	10c	.68	..
Sigma Mines	30c	4.25	..
Silbak Premier	16c	.65	24.6
Siscoe	8c	.36	22.2
Sturgeon River	2c	.09	..
Sudbury Basin	2½c	1.20	..
Sullivan Cons.	▲8c	.50	16
Surf Inlet	▲2c	.06	..
Sylvanite Gold	20c	1.25	16
Teck-Hughes	40c	1.69	23.6
Toburn	12c+4c	.85	*18.8
Upper Canada	▲14c	.66	..
Ventures	▲20c	3.05	..
Waite Amulet	40c	4.10	..
Wendigo	3c	.13	..
Wright-Harg.	40c+20c	1.85	..
Ymir Yankee	▲2c	.03	..

▲Paid in 1941. *Yield including bonus. †Initial. ‡Paid in 1942 to date. •Capital distribution.

Supplementary Bond Quotations

(Supplied by Plaxton, Cherry & McDonnell, Toronto)

Month-end Close, and Changes from Previous Month-end

Apr. 28, 1942

Miscel. Corp. Utility & Realty Bonds:	Bid	Ask.	Chge.
‡Adel.-Peter, 6½%/48	25½	28½	—½
*Adel.-Sheppard, 7%/48	23½	25½	+½
†Albert-Bay, 6½%/42	58	61	+2
Alexandra Apts., 3%/55	49½	52	+1½
*Alex. Bldg., 6%/47	36½	40	+1½
Ancroft Place, 4%/56	41	44	+3
*Annandale C. 6½% ser.	30½	..	+½
*Balfour Bldg., 3%/43	47	49	+½
*Bay-Adelaide, 6½%/47	19½	22	—1½
*Bay-Cumberl'd, 6½%/44	14½	17	+2
Bay-St. Albans, 4%/53	50½	54	+½
Beach Fdry., 6%/45	78	83	—½
‡Bloor-St. G. Rlty. 7%/46	44½	46½	—½
Bowater Nfld., 5%/68	93	95½	+1½
Do., 4½%/68	90	94	—1
Brantford Roof., 5%/59	83	88½	+½
Canada Dairies 5%/61	61	..	+1
Can. Machinery, 5%/54	99½	102	+½
Do., 6%/55	96	99	+½
Cities Heating, 4½%/55	91	95	unch
Dom. Square, 4%/59	58	60	—½
Econ. Inv., 5%/57	98½	102½	+½
Ellis Park, 4½%/45	59	61	+1
Fed. Foundries, 5½%/50	87	91	—3
Gleneagles Inv., 5%/44	55	58	—½
Gt. Brit. & Can. 4½%/59	67	..	—½
Gt. West. Saddl'y 6%/48	103	..	+½
Keefer Rlty., 5%/55	24	26	unch
*King Ed. Hotel, 7%/44	6	7	—½
Lombard Rlty., 2½%/51	24½	27	+½
*London Realty, 6½%/50	95	98	+1½
Lord Nelson Htl., 4%/47	47	50	+1
Mayor Bldg., 4½%/42	54½	56½	+½
Moodie, J. R., 6%/48	97	101	—½
Nat. Utilities, 6%/48	53½	58	+½
Ont. Building, 3%/43	43	46	+½
Pac. P. & Water, 5%/57	93	..	+1½
‡Prof. Offices, 7%/33-45	55½	59½	+½
Richmond-Bay, 6½%/47	95½	97½	unch
*Richmond Bldg., 7%/47	8½	11½	—½
Royal Ex. Bldg., 6%/48	50½	..	+½
Sandwich W. (Twp.)	18½	20½	+1
St. Cath. Stanley, 5%/57	61½	64	+½
*St. James R. M. Man.	39	42	+2
Stand. Clay, 6%/42	67	..	—½
*Stanley Rlty., 7%/45	2½	4	unch
Staveley Apts., 2½%/49	63½	68½	+½
‡St. Exch. Bldg., Vanc., 6%/44	37½	42	—1
‡Trinity Bldg., 4%/52	8½	10½	+½
200 St. Clair W. 4½%/58	50½	55	+½
Vanc. Georgia H. 6%/47	42	..	+½
‡Wel'nton Bldg. 6½% ser.	57	60	—½
‡Wind. Court Apt. 6%/42	35	37	+3
W'dsor, Essex L. S. 6/59	21	23	—½
*York Adelaide, 7%/45	9	11	—½
York St. Bldgs., 6%/43	86½	90	+½

†Payable U. S. funds and Can. funds.
*Issue carries arrears of interest.
‡Currently paying on int. arrears.

Dividends Declared

	This payment	Date payable	Date of record
Aunor Gold	4c	June 1	May 15
Bk. Can. Nationale	$2	June 1	May 15
Barber Ellis, c.	12½c	June 15	Mar. 31
Bk. of Montreal	$2	June 1	Apr. 30
Bk. of Toronto	$2.50	June 1	May 15
Borden Co.	30c	June 1	May 15
Bruck Silk	10c	June 15	May 9
Brew. & Distillers	▪50c	May 20	Apr. 30
Do., extra	▪10c	May 20	Apr. 30
Bathurst Pr., A	25c	June 1	May 15
Do., extra	25c	June 1	May 15
Calgary & Edm.	5c	May 15	Apr. 15
Canadian Oil, c.	25c	May 15	May 1
Cockshutt Plow	25c	June 18	June 4
Confederation Life	$1.50	June 30	June 25
Do.	$1.50	Sept. 30	Sept. 25
Do.	$1.50	Dec. 31	Dec. 25
Can. Cr. Stone	10c	June 15	June 1
Can. Wire & C., A	$1	June 15	May 31
Do., B	50c	June 15	May 31
Do., pref.	$1.62½	June 15	May 31
Can. Ind. Alc., A, B	10c	June 1	May 20
Canada Dry	†15c	June 10	May 22
Canada Malting	50c	June 15	May 30
Can. Marconi	4c	June 1	Apr. 15
Commoil	.00½c	May 25	May 15
Corr. Pap. Box, pf.	$1.75	June 1	May 15
Cosmos Imp.	30c	May 15	Apr. 30
Crown Cork	50c	May 15	Apr. 30
Commw'th Intnl.	4c	May 15	Apr. 15
Can. Bakeries, p.	*$2.50	June 1	May 18
Can. Breweries, pf.	85c	July 2	June 15
Can. Fairbanks, c.	$2	June 1	May 15
Delnite Mines	3c	May 29	May 9
Dom. Ang. Inv., pf.	$1.25	June 1	May 15
Dom. Bridge	30c	May 23	Apr. 30
Dom. Scot. Inv., pf.	▪$1	June 1	May 20
East. Steel Prod., c.	25c	June 1	May 15
Ford Motor	25c	June 20	May 30
Gen. St. Wares, p.	$1.75	May 20	May 8
Do., participating	28c	May 20	May 8
Goldale Mines	2c	May 11	Apr. 25
Granby Cons.	†▪10c	June 1	May 15
Do., extra	†▪5c	June 1	May 15
Honey Dew	50c	July 2	June 15
Hallnor Mines	10c	June 1	May 15
Hedley Mascot	2c	May 15	Apr. 22
Home Oil	▪15c	June 15	May 15
Island Mtn.	8c	May 25	May 1
Inter. Util., pr. pf.	87½c	May 1	Apr. 20
Kirk. Lake Gold	4c	May 4	Apr. 4
Langleys, pfd.	▪50c	June 11	June 2
Do.	▪50c	Sept. 11	Sept. 2
Do.	▪50c	Dec. 11	Dec. 2
Lamaque Gold	10c	June 1	May 8
Do. extra	5c	June 1	May 8

Late Season Aids Switch From Wheat

All Provinces But Alberta Expected to Cut Wheat Acreage Substantially

From Our Own Correspondent

WINNIPEG.—Seeding is late in western Canada this year, and the percentage of crop land in wheat at May first will be unusually small.

Rains or snow during the past few days over a large part of the western provinces will cause further delay, and it is doubtful if it would be possible for farmers now to put in a normal acreage of wheat during the time that remains to them. Over a considerable area May 10 is as late as farmers like to be engaged in wheat seeding, although perhaps over the greater part of the west another week is allowed in farmers' calculations, while in some areas farmers are not too worried if some seeding is delayed until the 24th of the month.

Aids Coarse Grain Plan

The delayed seeding season will accentuate the effects of the government's efforts to increase the seeding of oats, barley and flax, instead of wheat, as seeding of these grains can be carried on considerably later.

It is quite possible that the acreage seeded in wheat will fall well below that seeded in 1941, which represented a decline of over 30% from that of 1940. On the other hand the recent precipitation in Saskatchewan and Alberta has much increased the prospects for returns from seeding, so the reasonable expectation is for a wheat crop considerably in excess of that of last year.

Manitoba has had more moisture than it needs, and the principal concern of farmers in that province is for dry weather that will enable them to work on the land, and make up for the fall work they were prevented from doing by the wet weather before freeze-up last winter. Their worries are mitigated by the extent to which farmers of Manitoba are planning to increase seeding of oats and barley. Farmers of that province seem to intend a greater proportionate switch in acreage from wheat than in the other provinces.

Manitoba in Barley

Manitoba farmers seem to be generally of the opinion that they should not seed oats on land summer-fallowed last year, for fear of too rank a growth, and on such land the principal switch will be to barley. Over a large part of the province, which on the whole has had more trouble with weeds than is the case farther west, there is a good deal of reluctance to go into flax, because of the danger of increased spread of weeds which is feared with that crop.

In the northern part of Saskatchewan a considerable increase in oats acreage is expected. In the southern part of the province farmers generally do not expect as satisfactory returns from oats or barley as from wheat, but the greatest diversion to flax is looked for in that section. Given a sufficiently late season, which would hold back wheat seeding, there will be comparatively little hesitation in putting oats in on summer fallowed land.

Small Change in Alberta

In Alberta there seems rather less prospect than in the other provinces for a diversion of wheat land to other use in response to government pressure. The areas most suitable for wheat, oats and barley have been rather sharply defined by experience, and experience has also dictated marked preferences for different varieties of each grain, in accordance with district location. There is reluctance, therefore, to switch from normal procedure in planning crop production.

The province is making a great increase in livestock production, especially in hogs, although that increase is mainly in the section north of Red Deer, where mixed farming on a considerable scale has long been practised. Because of the extent of specialization in different zones of the province, and because of unsatisfactory experience with flax in the past, no great increase in flax acreage is anticipated. That view is borne out by the fact that the interest shown by Alberta farmers in securing supplies of flaxseed has been small in comparison with that shown in the other provinces.

There are considerable possibilities of damage to crops both from grasshoppers and from wheat stem saw fly. Egg infestation provides a warning to undertake preventive measures over a considerable area. The saw fly can be checked by certain soil cultivation practices, while poisoning is the measure relied on for grasshoppers. A sufficiently moist season, however, would check damage from both sources.

Current demand for oats and barley in Canada remains strong, and judging from the price situation, is expected to remain strong. Oats for October delivery have been trading at well over 50 cents a bushel or 5 cents a bushel more than the guaranteed price for new crop oats offered by the government. October barley has been selling at 63¾ cents, a price which as is the case with oats is only one cent a bushel under the ceiling price, while 3¾ cents a bushel above the new crop price guaranteed by the government.

Although the situation is subject to change, the prospect indicated by the market just now is that the government guarantee on oats and barley will not be the occasion of any loss to the government. As an incentive to production, however, the government guarantee is of greater importance than the present market price. The guaranteed price, although somewhat lower, is nevertheless a certainty. Farmers can only be sure of the present market price next October, by selling now for October delivery, and selling a crop not yet seeded, the size of which must remain for a considerable time highly doubtful.

An interesting feature of the trade in feed grains is the continuance of a considerable all-rail movement to eastern Canada. Lake shipping is congested with the eastbound movement of wheat, ultimately intended either for export or for milling in Canada. Consequently a good deal of feed grain, and that includes wheat for feeding, as well as oats and barley, continues to go east all rail. As the cost of the freight movement from the head of the lakes to eastern destinations is met by the government, it is a matter of indifference, either to forwarders or to purchasers, which method of transportation is adopted.

Company Reports

Can. Inter. Paper

Canadian International Paper's consolidated statement for 1941 shows gross income from all sources of $61.8 millions, against $54.1 millions the year before. While net earnings at $15.6 millions were $4 millions greater than in 1940, there was a deficit after all charges of $364,941, compared with a profit of better than $1.2 million the year before. This result is due almost entirely to a revision of $6.2 millions for income and excess profits taxes, including charges on account of prior years. In 1940 the tax provision was only $603,407.

The consolidated financial position of the company as the end of the year continues to show strength, working capital of $34.7 millions comparing with $22.2 millions a year ago. A feature of the accounts is a sharp increase in liquid assets. Cash and Dominion Treasury notes of $10.5 millions comparing with $3.9 millions the year before.

Income and Surplus Account
Years Ended Dec. 31

	1941 $	1940 $
Operating profit	57,357,726	52,854,257
Add: Other income	4,511,197	1,365,953
Less: Cost of sales	46,268,459	42,537,562
Total earnings	15,600,464	11,682,648
Less: Depreciation	5,684,712	5,651,221
Interest	3,673,696	3,841,879
Inc. and E. P. tax	6,228,990	603,470
Debt discount	335,649	315,733
Loss on bonds	42,358	31,919
Deficit for year	364,941	*1,248,426
Add: Prev. deficit	14,276,439	15,599,221
Adjustments	......	84,356
Deficit forward	14,641,380	14,276,439

*Profit.

Working Capital

	$	$
Current assets	38,012,046	27,267,491
Current liabilities	13,261,319	5,053,799
Working capital	24,750,727	22,213,692

Balance Sheet Changes

	$	$
Cash, etc.	10,530,075	3,925,320
Investments	1,269,426	620,652
Accounts receivable	9,246,113	7,324,846
Inventories	18,235,857	16,017,325
Due assoc. cos.	18,001,382	17,127,721
Funded debt	55,245,511	56,895,000

Canada Dry

Canada Dry Ginger Ale reports that net income of its Canadian subsidiary in the six months ended March 31, 1942, amounted to 12% of consolidated net income compared with 10% for the corresponding 1941 period.

Depreciation provided in the 1942 period totalled $260,905 against $220,085 in 1941.

Consolidated Net Income Account
Periods Ended Mar. 31

	6 mos. 1942 $	6 mos. 1941 $
Gross sales	12,330,413	10,316,105
Less: Returns & allow.	251,590	370,775
Net sales	12,078,823	9,945,330
Less: Costs, admin. etc.	11,142,863	8,977,991
Net oper. inc.	935,960	967,339
Add: Other inc.	12,911	4,393
Gross income	948,871	971,732
Less: Inc. deduct.	15,097	16,544
Est. inc. taxes	436,498	341,564
Net inc. for period	497,276	613,624
Earnings per share	$0.81	$0.99

Electrolux Corp.

Electrolux Corporation's statement for 1941 shows both gross and net income larger than the year before. Net profits on the common stock were $1.14 a share, against $1.13 in 1940.

With the manufacture of domestic vacuum cleaners prohibited after April 30, 1942, E. V. Ekman, chairman of the board, reports that the manufacturing facilities are being turned over to war work. The company is hopeful that a restricted sales programme for the limited number of new cleaners in stock, and a constructive programme for the repair of customers' machines, will enable service stations to be self-supporting and perhaps produce a small profit. If a nucleus of the salesmen's organization can thus be maintained, the chairman says an important asset will be preserved until cleaners again may be manufactured.

Income and Surplus Account
Years Ended Dec. 31

	1941 $	1940 $
Operating profit	2,838,860	2,160,486
Add: Other income	47,858	39,946
Total earnings	2,886,718	2,200,432
Less: Depreciation	122,297	104,704
Interest	24,071	21,200
Income and E.P. tax	950,000	677,363
Loss war orders	23,804	......
Cont. reserve	350,000	......
Net profit	1,416,538	1,397,165
Less: Common divds.	990,000	1,361,250
Surplus for year	426,538	35,915
Add: Previous surplus	3,102,256	3,206,292
Less: Add. inc. tax	......	139,952
Earned surplus fwd.	3,528,794	3,102,255
Earned per share:		
Common	$1.14	$1.13
Paid	0.90	1.10

Working Capital

	$	$
Current assets	8,794,328	8,096,280
Current liabilities	3,523,638	3,458,181
Working capital	5,270,690	4,638,099

Balance Sheet Changes

	$	$
Cash	1,432,720	2,431,648
Accounts receivable	4,341,386	3,948,876
Inventories	3,020,222	1,679,919
Fixed assets	1,310,240	1,093,477
Less: Depreciation	453,225	382,855

Twin City Transit

Interim income statement of Twin City Rapid Transit Co. for the three months ended March 31, 1942, shows net income approximately double that for corresponding period of 1941. Provision has been made for taxes at 50% of taxable net income in the expectation that rates will be higher than at present.

No provision is required for excess profits taxes on the basis of the credit for invested capital, which is subject to review by the Bureau of Internal Revenue.

Income and Surplus Account
3 Months Ended Mar. 31

	1942 $	1941 $
Operating profit	2,722,338	2,266,553
Add: Other income	3,628	3,101
Total earnings	2,725,966	2,269,654
Less: Oper. exps.	2,050,097	1,898,114
Interest	197,258	206,619
Inc. & E. P. taxes	247,900	33,600
Amort. debt disc.	13,794	14,397
Misc. debits	4,245	3,436
Net profit	215,672	113,489
Earned per share:		
Preferred	$7.18	$3.78

English Electric Co. shareholders have elected A. S. Tait president, succeeding D. H. McDougall, who has resigned. Mr. Tait has been vice-president and general manager.

Dividends Declared (Cont'd)

	This payment	Date payable	Date of record
Leitch Gold	2c	May 15	Apr. 30
Loblaw, A, B	25c	June 1	May 9
Do., extra	12½c	June 1	May 9
McIntyre-Porc.	55½c	June 1	May 1
Noranda Mines	$1	June 15	May 20
National Biscuit, p.	†$1.75	May 29	May 12
Neon, P. W. Can., p.	$1.50	May 1	Apr. 15
Paton Mfg.	$1	June 15	May 31
Do., pref.	$1.75	June 15	May 31
Penmans	75c	May 15	May 5
Privateer Gold	3c	May 10	Apr. 25
Quebec Power	25c	May 25	Apr. 23
Royal Trust	80c	May 1	Apr. 20
Royal Bank	$2	June 1	Apr. 30
Regent Knitting pfd.	‡40c	June 1	May 15
Rolland Paper	15c	May 15	May 4
Do., pref.	$1.50	June 1	May 15
South. Can. Pwr.	20c	May 15	Apr. 30
Shaw. W. & Power	22c	May 25	Apr. 23
Sher.-Williams, pf.	$1.75	July 2	June 15
Sherritt Gordon	▪5c	May 29	Apr. 24
Sherbrooke Trust	$1.50	May 1	Apr. 15
Sylvanite Gold	5c	June 30	May 9
Teck Hughes	▪10c	June 1	May 8
Toburn Gold	3c	May 22	Apr. 22
Do., extra	1c	May 22	Apr. 22
Union Gas	20c	June 15	May 20
United Corp., A	37c	May 15	Apr. 15
United Steel, pf.	75c	May 1	Apr. 21
Walker, Hiram	$1	June 15	May 22
Do., pref.	25c	June 15	May 22
Wilsil	25c	July 1	June 15

†Payable in U. S. funds. ▪Subject to approval of Foreign Exchange Control Board. ‡Also 40c payable Sept. 1 and Dec. 1. *Eliminates arrears.

Vitamin Flour Seen No Threat To Wheat Use

The British government, which formerly prescribed that all wheat flour must be enriched by the addition of artificial vitamins, has now provided for the retention in flour of a considerable part of the vitamin content of wheat, by prescribing a flour extraction of 85% instead of the usual 75%. It had been thought that the recent introduction of Canadian government standards for vitamin B flour, made by a milling extraction of 78%, which retains most of the characteristics texture and color of ordinary flour, might result in creating a demand for this product in Great Britain. Presumably, however, any Canadian flour milled in future for account of the British government will have to meet the new British standards.

However nutritious and wholesome such flour may be, it is assumed that it can on account of its color and texture, be made acceptable to consumers only by government decree and by wartime needs to conserve shipping. While less wheat is needed to produce a corresponding quantity of flour, the new practice, by limiting the quantity of wheat products available for livestock feeding, may reduce the quantities of meat produced, increase the consumption of flour, and possibly maintain the consumption of wheat.

Price Indices Tend Upward

Cotton Eases on Announcement of U. S. Price Control Plan

Main factor in the commodity markets this week has been the plan announced by President Roosevelt to keep down the cost of living. Under this, prices of agricultural commodities will be stabilized at the parity level, scarce supplies will be rationed and wages and salaries will be stabilized. Prices of goods sold for export will also be controlled.

Meanwhile commodity prices in both Canada and the United States have tended higher with two of the three spot indices showing fractional gains, the other being stationary. Dow Jones index of future commodity prices was up slightly. Cotton prices have been easier, the president's message indicating limitation of advances in this as well as other commodities.

	Latest week	Previous week	Same week last yr.
Cattle	$10.28	10.11	8.55
Hogs	15.18	....	11.24
Copper, lb.	.12	.12	.12
Cotton, lb.	.2097	.2110	.1131
Sugar, raw, lb.	*.0374	.0374	.0331
Wheat, Man. (bu.)	.79¼	.79⅛	.75¾
Coffee, lb.	*.09⅜	.09⅜	.06¾
Hides	*.15½	.15½	.14¾
Weekly Indices			
U. S. Labor	98.3	98.1	83.0
Wood, Gundy	77.0	77.0	69.7
Dow Jones (fut.)	87.01	86.94	63.35
Fishers	106.3	105.6	89.9
Monthly Indices			
Canada (D.B.S.):			
Retail (Mar.)†	115.9	115.7	108.2
W'sale (Mar.)	95.1	94.6	85.9
U. S. (Feb.)	96.7	96.0	80.6
Gt. Brit. (Jan.)	156.4	155.9	149.5

Note:—The base of indices is that 1926 equals 100. †Base 1935-39 equals 100. The British index is Board of Trade converted to 1930 base.

Base of price quotations is as follows: Cattle — Steers, good, over 1,050 lb., top price, Toronto. Copper-electrolytic, New York, No. 7 coffee, Rio. Sugar—96 degrees centrifugal, c/f New York. Wheat—No. 1 Man. North., Ft. W.-Pt. A. basis.

*Ceiling prices fixed by the office of Price Administration.

Member firms of the Montreal Stock Exchange and Montreal Curb Market increased their collateral borrowings during March, loans at the end of the month totalling nearly $5.8 millions, an increase of $58,660 over the previous month and $92,875 higher than the figure at the end of March a year ago. Currently loans are at the highest point for the year to date.

DIVIDEND NOTICES

General Steel Wares Limited

DIVIDEND NOTICE

Notice is hereby given that a fixed cumulative dividend of $1.75 per share, being at the rate of 7% per annum in respect of the three months period commencing on the 1st day of February, 1942, and ending on the 30th day of April, 1942, and a cumulative participating dividend of twenty-eight cents per share in respect of the year 1941, have been declared on the outstanding 45,000 shares of 7% Cumulative Participating Preferred Stock of a par value of $100.00 each of General Steel Wares Limited, payable on the 20th day of May, 1942, to shareholders of record at the close of business on the 8th day of May, 1942.

By Order of the Board,
FRANK S. BROPHY,
Secretary.

Montreal, April 28th, 1942.

Sylvanite Gold Mines, Limited

(No Personal Liability)

TO SHAREHOLDERS AND HOLDERS OF SHARE WARRANTS:

NOTICE OF DIVIDEND NO. 47

TAKE NOTICE that a regular quarterly Dividend of 5% (i.e. five cents per share) on the outstanding Capital Stock of the Company, payable in Canadian funds, has been declared as Dividend No. 47.

Such Dividend will be payable June 30th, 1942, to Shareholders of record at the close of business May 9th, 1942.

In the case of Share Warrants such Dividend will be payable on or after June 30th, 1942, in respect of the shares specified therein, upon presentation and delivery of Coupon No. 47 at:

The Canadian Bank of Commerce, Toronto, or any Branch of said Bank in Canada (far Northern Branches excepted), or Liberty Bank of Buffalo, Buffalo, N.Y.

By Order of the Board,
W. S. WALTON,
Secretary.

TORONTO, April 22nd, 1942.

Heavy Sales of Durum Feature Export Wheat

From Our Own Correspondent

WINNIPEG.—Exports of Canadian wheat have been heavy during the past few weeks. Most of it has been for Great Britain, although some cargoes have been shipped to Portugal.

An interesting feature of the Portuguese trade has been the demand for durum wheat, the supply of which is so scarce that it has commanded a premium of several cents a bushel over the corresponding northern grades. The Canadian Wheat Board has been moved by this scarcity to encourage the seeding of durum wheat this spring. It has announced its intention to recommend for the coming crop year that No. 1 C. W. Amber Durum Wheat be placed on a parity so far as Wheat Board initial payment is concerned, with No. 1 northern, with a basic price of 90 cents a bushel for both varieties.

Exporters Buying

For the current crop year the Wheat Board payment for the top durum grade was six cents a bushel under No. 1 northern. Since the open market price has been comparatively much better, most of the durum wheat marketed by farmers has been sold on the open market instead of being delivered to the Wheat Board.

Acquisition of cash wheat by exporters has also been heavy of late. That has appeared, not by way of new business in the pit, but as exchange of futures already held, so presumably represents business controlled by the British Cereals Import Board. While that may represent an intention to make early shipments, it is more soundly construed as readiness to ship whenever opportunity offers. It is presumed that a percentage of the wheat moved under British instructions is for delivery to Russia, although it is generally understood that a portion of the wheat being sent to Russia is being provided from United States government stocks.

Dominion Tar and Chemical announces that Harold Crabtree, president of Howard Smith Paper Mills Ltd., has been elected a director.

Wheat Prices

Winnipeg Grain Futures

Week to Apr. 27, 1942

Crop year from Aug. 1, 1941 High	Low		High for week	Low for week	Close Apr. 27
		Wheat			
.82¾	.76¼	May	.79¼	.79¼	.79¼
.82⅛	.77½	July	.80⅜	.80⅜	.80⅜
		Oats			
.51½	.38⅛	May	.51½	.51⅜	.51½
.51¾	.42⅞	July	.51½	.50⅜	.51½
.50	.46	Oct.	.50⅜	.49⅜	.50¼
		Barley			
.64¾	.49⅜	May	.64¾	.64¾	.64¾
.64¾	.55⅛	July	.64¾	.64⅛	.64¾
.63⅞	.57	Oct.	.63⅞	.62⅝	.63¼
		Rye			
.67⅜	.52¾	May	.64¾	.62⅞	.62⅞
.66⅝	.65	Oct.	.65⅝	.64	.64
.66⅝	.60¾	July	.66⅝	.65	.65

Cash Quotations

For Week

Wheat:	Apr. 27 High	Apr. 27 Low	Prev. Week High	Prev. Week Low
1 Hard	.79¼	.79⅛	.79⅛	.79
1 Nor.	.79¼	.79⅛	.79⅛	.79
2 Nor.	.76⅛	.76	.76	.75⅞
3 Nor.	.73¾	.73¼	.73¾	.73¾
4 Nor.	.72¾	.72¼	.72¾	.72½
5 Wheat	.70	.70	.70	.70
6 Wheat	.67¾	.67¾	.67¾	.67¾
Feed	.65¼	.65¼	.65¼	.65¼
Oats				
2 C. W.	.51½	.51⅜	.51¼	.51⅛
3 C. W.	.49¼	.48¾	.49⅜	.49⅛
Barley:				
1 Feed	.60¾	.60¾	.61	.60¾
2 Feed	.59½	.59½	.60	.59½
Rye:				
2 C. W.	.64½	.62⅝	.64⅜	.64⅛

DIVIDEND NOTICES

BANK OF MONTREAL

Established 1817

DIVIDEND NO. 316

NOTICE is hereby given that a DIVIDEND of TWO DOLLARS per share upon the paid up Capital Stock of this Institution has been declared for the current quarter, payable on and after MONDAY, the FIRST day of JUNE next, to Shareholders of record at close of business on 30th April, 1942.

By Order of the Board
JACKSON DODDS, General Manager.
G. W. SPINNEY, General Manager.

Montreal, 21st April, 1942.

Loblaw Groceterias Co. Limited

NOTICE is hereby given that a quarterly dividend of 25 cents per share and a bonus of 12½ cents per share on the Class "A" shares, and a quarterly dividend of 25 cents per share and a bonus of 12½ cents per share on the Class "B" shares of the Company have been declared for the quarter ending May 31st, 1942, payable on the 1st day of June, 1942, to shareholders of record at the close of business on the 9th day of May, 1942. The transfer books will not be closed. Payment will be made in Canadian Funds.

By Order of the Board.
R. G. MEECH,
Secretary.

Toronto, April 23rd, 1942.

WAITE AMULET MINES, LIMITED

DIVIDEND NOTICE

Notice is hereby given that an interim dividend of Ten Cents (10c) per share, payable in Canadian funds, has been declared by the Directors of WAITE AMULET MINES, LIMITED, payable June 10, 1942, to shareholders of record at the close of business May 25, 1942.

By order of the Board.
J. R. BRADFIELD,
Secretary.

Toronto, Ont.,
April 24, 1942.

DIVIDEND NOTICES

The Royal Bank of Canada

DIVIDEND NO. 219

NOTICE is hereby given that a dividend of two per cent. (being at the rate of eight per cent. per annum) upon the paid-up capital stock of this bank has been declared for the current quarter and will be payable at the bank and its branches on and after Monday, the first day of June next, to shareholders of record at the close of business on the 30th day of April, 1942.

By order of the Board.
S. G. DOBSON,
General Manager.

Montreal, Que., April 14, 1942.

Delnite Mines, Limited

(No Personal Liability)

To SHAREHOLDERS AND HOLDERS OF SHARE WARRANTS:

NOTICE OF DIVIDEND NO. 5

TAKE NOTICE that an interim Dividend of 3% (i.e. three cents per share) on the outstanding Capital Stock of the Company, payable in Canadian funds, has been declared as Dividend No. 5.

Such Dividend will be payable May 29th, 1942, to Shareholders of record at the close of business May 9th, 1942.

In the case of Share Warrants such Dividend will be payable on or after May 29th, 1942, in respect of the shares specified therein, upon presentation and delivery of Coupon No. 5 accompanied by requisite evidence that the coupon holder is domiciled and resident outside of Ontario, at The Canadian Bank of Commerce, Toronto, Canada.

By Order of the Board,
W. S. WALTON, Secretary.

April 22nd, 1942.

Borden's

COMMON DIVIDEND
No. 129

An interim dividend of thirty cents (30¢) per share has been declared on the outstanding common stock of this Company, payable June 1, 1942, to stockholders of record at the close of business May 15, 1942. Checks will be mailed.

The Borden Company
[illegible]

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NEW YORK CHICAGO KANSAS CITY TOLEDO
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THE CANADIAN CONSOLIDATED GRAIN
COMPANY LIMITED
Operators of Country Elevators in Manitoba and Saskatchewan and Terminal Elevators at Fort William and Port Arthur
Grain Commission Merchants — Shippers and Handlers of All Grains
Head Office: WINNIPEG, CANADA

RELIANCE
GRAIN COMPANY LIMITED
Owners and Operators Country Elevators and Terminals
Exporters and Shippers
SMITH, MURPHY CO. INC.
510 PRODUCE EXCHANGE, NEW YORK
Head Office: 919 Grain Exchange, Winnipeg
Branch Offices: Toronto and Vancouver

DIVIDEND NOTICES

Wellington Building Corporation Limited

(United Bond Company Limited Loan W-71)

To the Holders of $425,000.00 First Mortgage Gold Bonds of Wellington Building Corporation Limited

TAKE NOTICE that under and by virtue of an order made by the Supreme Court of Ontario, payment in Canadian Funds of six months' interest to January 5th, 1937, together with interest thereon to May 15th, 1942, at the rate of six and one-half percentum per annum will be made by the undersigned on and after May 15th, 1942, upon presentation of the Bonds for endorsement of interest thereon.

Dated this 30th day of April, 1942.

THE LONDON AND WESTERN TRUSTS COMPANY LIMITED
Receiver and Manager
200 Bay Street Toronto

FORD MOTOR COMPANY OF CANADA, LIMITED

DIVIDEND No. 58

The Board of Directors has declared a cash dividend of twenty-five cents ($.25) per share, payable on all of the outstanding shares of the company on June 20, 1942, to shareholders of record at the close of business May 30, 1942.

G. G. KEW,
Secretary.

Windsor, Ont.
April 27, 1942.

DIVIDEND NOTICES

"CANADA DRY"

Dividend Notice

At the meeting of the Board of Directors of Canada Dry Ginger Ale, Incorporated, a Delaware Corporation, held April 16, 1942, a dividend of fifteen cents (15¢) per share was declared, payable June 10, 1942, to stockholders of record at the close of business, May 22, 1942.

W. J. WILLIAMS, Secretary

CANADIAN BREWERIES LIMITED

DIVIDEND NOTICE

Notice is hereby given that a dividend of eighty-five cents (85c) per share on the Cumulative Sinking Fund Convertible Preference Shares of the Company has been declared payable on the 2nd day of July, 1942, to shareholders of record at the close of business on the 15th day of June, 1942.

By order of the Board.
W. C. BUTLER,
Secretary.

Toronto, Ontario,
April 22nd, 1942.

HONEY DEW LIMITED

DIVIDEND NOTICE

Notice is hereby given that a dividend of fifty cents (50 cents) per share, on the outstanding capital stock of the Company, has been declared payable on or after the second day of July, 1942, to shareholders of record at the close of business on the 15th day of June, 1942.

By Order of the Board,
R. G. McMULLEN,
Secretary.

Toronto, Ontario.
April 23, 1942.

The Week In Oils

From Our Own Correspondent

CALGARY. — Indicative of the continuing favorable outlook for the Tilley area some 125 miles east of Calgary, a two-mile pipe line is now being laid from the recently completed Northwest-Tilley No. 2 well to the railway siding at Tilley, and a 500-ft. loading track is to be laid at the pipe-line terminus at Tilley.

The first shipments of Tilley crude oil should be made in the near future. The Tilley No. 2 well, which was placed on production Mar. 23, was temporarily closed in April 22 with field tankage loaded. In the 24 hours prior to the shut-in, the well produced approx. 61 bbls. of crude oil under strong back pressure (casing 1,225 lb., tubing 650 lb.) with a gas-oil ratio of approx. 1,500 cu. ft. per bbl. There appeared to be no change in the water content, previously placed at 2% to 2½%.

* * *

Finish Third Well

Meanwhile, the Northwest Co. has completed its third test in the Tilley area. Northwest's Tilley No. 4 halted coring at 3,182 ft. during the week end, after topping the Madison limestone at approx. 3,168 ft., ran an electro-log, and is now laying down drill-pipe, preparatory to running and setting the production string of casing.

The well is located quarter of a mile north of the successful Tilley No. 2 well, which topped the lime at 3,185 ft., set casing, perforated the casing and obtained production in the Sunburst sand from 3,170 to 3,180 ft. Northwest-Tilley No. 3, prospect test five miles to the south, is now drilling below 1,439 ft.

* * *

Equipment Situation

Spurred on by the cancelling of equipment orders by the National Supply Co. on April 8 due to lack of necessary high priorities numbers, the Alberta Petroleum Association and the priorities branch at Ottawa tackled the problem of supply last week and by the week end had made very substantial progress.

K. H. Gregory, representative of the Priority Branch assigned to look after the interests of the Alberta oil industry, air-travelled to Washington last Tuesday, apparently found Washington Priorities officals receptive, and, on Friday, word reached the Alberta Petroleum Association that:

1. All delayed orders for equipment at Ottawa had gone forward to Washington for proper priorities rating.

2. P-98 in its final form, and made to fit Canadian use, is expected to go into effect in a day or two, indicating that the necessary equipment for Canadian oilfield development will be given A-2 or A-3 rating, ranking next to the purely military, and hence most essential, requirements.

Ontario Nickel Plans Producing

Expect to Ship 300 Tons of Sorted Ore a Day — Build Power Line

Rapid progress is now being made in plans for resumption of work at the Ontario Nickel Corporation's Moose Lake property which lies on the easterly rim of the Sudbury Nickel range, six miles north of Falconbridge Nickel Mines.

A right of way for a power-line has already been completed and following construction of the line, dewatering of the mine and commencement of active mining are to be undertaken. The company is stated to have been assured of a large market for either sorted ore or concentrates and plans call for shipping sorted ore pending installation of a concentrating plant.

Get Power June 1

Current plans call for the shipping of 300 tons of ore a day, it is stated. It is estimated that approximately six weeks will be required to complete the power line and a contract arranged with the H. E. P. C. calls for delivery of power on June 1. All equipment is to be electrically operated.

In past work, a shaft was sunk to a depth of 250 ft. with 900 ft. of lateral work completed on that horizon. A large amount of diamond drilling was done both from surface and underground. A number of lenses of ore were outlined by this work with widths up to 30 ft. Those lenses which have already been explored are stated to show an average nickel content in excess of 2% nickel.

A U. S. iron mine, owned by Nipissing Mines Co., has been attracting considerable interest recently as American authorities are seeking new iron sources to supplement existing iron production.

Nipissing's Croton Magnetic Iron Mine property, located in New York state, has been undergoing a diamond drilling programme for the last six or seven weeks with one of the large U. S. iron companies doing the work. There is stated to be nothing definite to report on results as yet but that a fair estimate of definite and probable ore reserves would be about 15 million tons.

Envelopes
for every purpose
Barber-Ellis
of Canada, Limited
TORONTO - BRANTFORD
BRANCHES FROM COAST TO COAST

R. C. Stanley, Inco President, Outlines Wartime Procedure

Reaffirming his belief in the important position that nickel—and International Nickel Co. of Canada—will enjoy in the post-war world, President R. C. Stanley gave shareholders his ideas on wartime policy at the annual meeting of shareholders this week.

Pointing out that uses of nickel in war materials are similar to those to be required in the peacetime world at a later date, Mr. Stanley stated that a sound procedure to guide the company would appear to be:

1. To enter the post-war period with ample financial resources.
2. To avoid debt with the attendant danger of fixed charges in a possible subsequent period of depression.
3. To enter the post-war period with the lowest production costs attainable. This is seen as calling for plant efficiencies all along the line, aiding the war effort and future as well.
4. To retain the good will of consumers of nickel, many of whom have been held to be engaged in production non-essential to the war.

"We shall make every endeavor to conserve and strengthen the financial structure of the company," Mr. Stanley stated. "Substantial emergency reserves will be established as business conditions permit and cash and other assets will continue to be built up to the end that we may be prepared to meet circumstances as they may arise from the war or its aftermath.

War Effort Comes First

"During the war, however, the first obligation of every corporation, as of every individual, is to give the utmost support to the government in the prosecution of the war. Your management recognizes this obligation. Our specific duty is to procure the maximum quantity of metals essential to the war effort. In the vigorous performance of this duty we shall continue to devote the full measure of our resources and experience."

Mr. Stanley drew the attention of shareholders to the fact that war needs for further supplies of nickel have caused a change in the company's long-term economic plans. To supply 50 million pounds of additional nickel a year, expansion is being carried out at a cost of $35 millions a year with the higher rate of production to be attained in 1943. Expansion involves opening up additional ore properties, sinking of mine shafts and installation of surface and underground plant and equipment, as well as enlargement of concentrating, smelting and refining works.

Depleting Ore Resources

Inco experience indicates that capacity is being built up far in excess of normal requirements. In view of this and the "enormous toll in the form of non-replenishable ore reserves" the company must pay, the Dominion of Canada is permitting the company to amortize expenditures totalling $25 millions within a five-year period.

All the International Nickel plants were operated at capacity throughout 1941. To further augment nickel production, the company treated and refined the entire bessemer matte output of Falconbridge Nickel Mines, with additional facilities provided for this purpose.

A new plant has also been provided at the company's Huntingdon works, primarily for refining raw material supplied by the Metals Reserve Co., a United States government owned agency.

Mining Company Reports

Cariboo Gold Quartz

An increase in bullion production was more than offset by higher operating costs at Cariboo Gold Quartz Mining Co. in the year ended Jan. 31, 1942. Profit for the year of $252,994 was equal to 19 cents a share compared with 27 cents the preceding year.

Ore reserves as at Jan. 31, 1942, showed an increase in tonnage but a decrease in average grade, totalling 441,672 tons of 0.397 oz. grade compared with 435,456 tons of 0.417 oz. grade a year previous. Ore reserves are between three and four years' requirements on the basis of the 129,659 tons milled last year.

President W. B. Burnett states in his remarks to shareholders, "We believe it is safe to say that in view of the freezing of wages and cost of supplies and providing there is no further decrease in labor efficiency or unforeseen lack of essential supplies, our earnings should not show any further decrease."

Of 7,457 ft. of drifting completed last year, 4,370 ft. was in ore shoots with an average indicated width of 4.16 ft. compared with 3.39 ft. the previous year. Several short ore shoots have been developed in the new B. C. ore zone.

Income and Surplus Account
Years Ended Jan. 31

	1942 $	1941 $
Bullion receipts	1,900,009	1,688,643
Less: Prov. min. taxes	33,566	29,981
Ship'g & mint chgs.	24,140	21,563
Oper. expense	1,211,670	917,321
Oper. earnings	630,633	719,778
Add: Misc. income	6,124	4,042
Net earnings	636,757	723,820
Less: Admin., gen. exp.	31,459	29,313
Directors' fees	4,000	4,000
Special guards	10,002	11,255
Net income	591,296	679,252
Less: Depreciation	107,015	102,477
Development w/o	129,265	113,544
Res. for taxes	102,022	100,701
Net profit	252,994	362,530
Less: Dividends	306,661	319,994
Surplus for year	*53,667	42,536
Add: Prev. surplus	731,312	758,380
Less: Holidays, sickness, etc.	27,986	69,604
Surplus forward	649,659	731,312
*Deficit or loss.		
Earnings per Share and Dividend Record:		
Earned	$0.19	$0.271
Paid	0.23	0.24
Working capital	314,986	318,748

Home Oil

Completion of further crude producing wells in the north end of Turner Valley is reflected in the 1941 annual report of Home Oil Co. Value of production and profits were both more than doubled.

Output totalled 1,104,181 bbls. of crude oil and after allowing for royalties, value to the company being $1,334,309. In the previous year 619,506 bbls. of crude had been produced.

After allowing for a sharp increase in taxes, net profit amounted to $363,254 or 21 cents a share compared with $98,525 in 1940.

Wells No. 7, 8 and 9 were completed during the year, although the No. 9 is not expected to prove commercial. The company's original No. 2 well has produced more crude than any other well in Turner Valley—745,521 bbls. in three years. Subleasing of "wildcat" north end acreage is being continued to prove up other ground in that area. The right is usually retained to participate in drilling of other wells. Control of production is also retained on practically every sublease.

Investigation is being continued in the Vermilion area where the company has participated in the drilling of two wells, neither of which proved commercial. Further studies are also being made of the Brazeau area.

Consol. Income and Surplus Account
Years Ended Dec. 31

	1941 $	1940 $
Net inc. fm. product'n	1,334,309	655,711
Add: Investment rev.	24,667	30,064
Other income	26,698	13,887
Total income	1,385,674	699,662
Less: Oper. costs	161,657	100,944
Lease rent, tax., etc.	23,264	13,171
Exec. sals. & fees	18,290	18,160
Directors' fees	4,370	2,040
Legal fees & expense	7,926	9,193
Net earnings	1,170,167	556,154
Less: Depreciation	58,942	35,813
Depletion	172,884	77,192
Develop. costs w/o	359,087	202,141
Invest. deprec.	......	33,706
Conting. provision	......	8,437
Inc. taxes	216,000	100,340
Net profit & surplus	363,254	98,525
Add: Prev. surplus	185,090	86,565
Tax adjustment	38,000	......
Less: Pension fund	127,580	......
Surplus forward	458,764	185,090
Earnings per Share and Dividend Record:		
Earned	$0.21	$0.056
None paid.		
Working Capital		
Current assets	910,888	618,105
Current liabilities	320,171	233,035
Working capital*	590,717	385,070

*Not including 20,000 Royalite shs. with $395,000 market value at the end of 1941.

Senator-Rouyn

Realizing net profit of $102,675 equal to 3 cents a share in 1941, Senator-Rouyn was able to liquidate remaining indebtedness incurred in mill construction and to reduce the amount of the company's note issue from $150,000 to $123,000.

Production of $746,806 in 1941 was secured from 96,521 tons of ore milled, an average recovery of $7.58 per ton. At Dec. 31, 1941, James and Buffam, the company's consulting engineers estimated ore reserves to the 800-ft. level at 205,328 tons averaging $8.47 per ton. Tailings loss and dilution are expected to reduce recovery by 13%.

Shaft sinking is now being carried to the 1,500-ft. level to test conditions at depth. The mineralized zone is stated to have a greater indicated width at the 875-ft. level but ore grade is indicated to be lower in the 230 ft. of drifting completed.

Income and Surplus Account
Years Ended Dec. 31

	1941 $	1940 $
Bullion recovery	748,462	180,262
Less: Marketing	8,505	1,727
Net production	739,957	178,535
Less: Operat. exps.	513,748	101,224
Operat. profit	226,209	77,311
Add: Other income	1,466	......
Total income	227,675	77,311
Less: Taxes	33,010	
Depreciation	45,264	29,561
Development w/o	46,726	
Net profit	102,675	47,750
Add: Prev. surplus	47,750	......
Surplus forward	150,425	47,750
Earnings per Share and Dividend Record:		
Earned	$0.03	$0.01
None paid.		
Working capital	4,350	43,287

Gunnar Gold

Completion of exploration on lower levels at Gunnar Gold Mines since the first of the year has given disappointing results, President G. A. LaBine reports. Work on the property must be considered of a salvage nature with mining to be discontinued when remaining ore is exhausted.

Net profit of $28,019 in 1941 was equal to a cent a share. Working capital was increased to over $500,000.

Little ore remained in reserve at the end of the year. The optioned Ogama property has disclosed enough ore to indicate a small profit will be made from shipment of known ore to the Gunnar mill. Exploration is being continued and Gunnar will hold a controlling interest in a company formed to take over the claims.

Income and Surplus Account
Years Ended Dec. 31

	1941 $	1940 $
Bullion production	576,170	666,845
Less: Marketing	7,083	8,113
Net production	569,087	658,732
Less: Explor. & devel.	69,360	107,475
Mining	138,028	129,403
Milling	63,707	65,613
Mine, H.O. gen. exp.	92,228	93,603
Oper. profit	205,764	262,633
Add: Int. & dividends	21,905	21,706
Prof. on invests.	5,069	13,129
Sundry revenue	......	3,973
Net earnings	232,738	301,441
Less: Depreciation	79,473	79,028
Development w/o	103,180	63,320
Taxes	18,674	25,752
Outside exploration	3,392	4,561
Net profit	28,019	128,780
Less: Dividends	81,124	162,248
Deficit for year	53,105	33,468
Previous surplus	231,062	328,397
Less: Addit. devel. w/o	......	73,867
Surplus forward	177,957	231,062
Earnings per Share and Dividend Record:		
Earned	$0.01	$0.048
Paid	0.03	0.06
Working capital	502,178	449,488

Towagamac Exploration

Through dividends received on 642,000 shares held in Francoeur Gold Mines, Towagamac Exploration Co. was able to report a 1941 net profit of $18,459 compared with $11,655 for 1940.

In addition to Francoeur shareholdings, Towagamac Exploration retains 1,040,765 shares of Aldermac Copper Corp. and 487,834 shares of Lake Geneva Mining Co. The Lake Geneva mill was turned over at the end of last July and to the end of the year was operated at slightly more than half capacity. Operating loss for the period was $34,982. Since the first of the year Lake Geneva tonnage has been increased and net metal prices have been higher.

Income and Surplus Account
Years Ended Dec. 31

	1941 $	1940 $
Investment revenue	25,830	19,110
Less: Oper. & gen. expense	6,790	7,344
Taxes	581	111
Net profit & surplus	18,459	11,655
Less: Prev. deficit	357,300	377,406
Add: Adjust. of inves.	......	8,451
Deficit forward	338,841	357,300
Earnings per Share and Dividend Record:		
Earned	$0.01	$0.01
None paid.		
Working Capital	$	$
Current assets	112,556	55,166
Current liabilities	*39,636	705
Working capital	72,920	54,461

*Includes $39,000 bank loan secured by 246,498 shares of Francoeur Gold Mines.

Guysborough

While exhaustion of ore reserves has brought a cessation of milling operations at Guysborough Mines, the company has been very active in investigation of strategic mineral deposits and a 100-ton mill is to be installed at the Indian Path tungsten property, using chiefly equipment from Guysborough.

Diamond drilling is being carried on at the St. Stephen Nickel deposit in New Brunswick where a previous geophysical survey and diamond drilling indicated an ore body of approximately 150,000 tons.

Investigation of the Lake Charlotte tungsten property indicated a considerable quantity of tungsten can be secured if the urgent need for it arises. It is too low grade to be economic at present prices. The Fluker gold property in Georgia and Fifteen-mile Stream mine are felt to warrant further work at a later date.

Income and Surplus Account
Years Ended Dec. 31

	1941 $	1940 $
Bullion sales	162,076	282,835
Less: Marketing	2,002	3,369
Net production	160,074	279,466
Less: Development	39,938	79,375
Mining	50,037	58,305
Milling	25,481	34,538
Gen. mine expense	10,750	21,483
Mine off. & supervis.	15,286	18,782
Admin. expense	2,122	3,601
Cost-of-living bonus	1,162	......
Outside exploration	400	......
Oper. profit	14,898	63,382
Less: Depreciation	26,237	23,294
Taxes	......	16,228
Net profit	11,339	23,860
Dividends	......	29,496
Deficit for year	11,339	5,636
Previous surplus	18,886	24,522
Add: Tax adjustment	4,012	......
Surplus forward	11,559	-18,886
Loss or deficit.		
Earnings per Share and Dividend Record:		
Earned	d$0.01	$0.04
Paid	nil	0.05
Working capital	24,844	53,011

Sturgeon River

While net profit dropped from $110,107 to $2,578 at Sturgeon Gold Mines in 1941, President A. L. Bishop reports improvement at the end of the year with operations being carried on at a profit.

During the year, Mine Manager H. Smedley resigned and was replaced by C. W. MacDonald.

A lengthening of the ore-bearing zone of the main No. 3 vein has been experienced and it is hoped that this together with finding of ore in other veins will add to the length of life of the mine. It is expected the shaft will be deepened from 1,750 to 2,250 ft. during 1942.

No statement of ore reserves is given for the end of 1941. Earnings in 1941 were adversely affected by rising costs, cost-of-living bonuses, a drop of 73 cents a ton in grade and treatment of a lower tonnage. Production was $458,589 from 25,855 tons of ore milled.

Income and Surplus Account
Years Ended Dec. 31

	1941 $	1940 $
Bullion produced	458,589	513,307
Less: Marketing exp.	5,489	6,226
Net production	453,100	507,081
Less: Mining	289,097	272,484
Milling	53,750	50,281
Admin. & gen. exp.	42,136	37,611
Less: Shaft wk. def.	4,206	41,162
Oper. profit	72,323	187,867
Less: Develop. w/o	52,777	48,146
Depreciation	20,358	19,708
Taxes	1,904	17,419
Add: Invest., inc. (net)	5,294	7,513
Net profit	2,578	110,107
Less: Dividends	109,990	54,995
Surplus for year	*107,412	55,112
Add: Prev. surplus	330,291	275,179
Surplus forward	222,879	330,291
*Deficit or loss.		
Earnings per Share and Dividend Record:		
Earned	nil	$0.04
Paid	$0.04	0.04
Working capital	484,413	345,849

Mining Concentrates

Bralorne Mines, through its subsidiary, Canbrae Exploration, is undertaking in conjunction with "three major Canadian mining groups," exploration and development of a promising placer prospect carrying reportedly high values in tungsten, the company's quarterly report states. Drilling is already under way on the property which is located on Canadian Creek, Yukon Territory. Considerable work has been done in Bralorne's own mine and mill in an attempt to develop commercial quantities of scheelite, the ore of tungsten. Some high-grade scheelite has been found on the fifth level and exploration of this showing is being undertaken on the fourth and fifth levels. Production of gold for the quarter is stated to have been normal, totalling 24,846 oz. from 49,393 tons of ore milled. Mine development is stated to be progressing favorably.

* * *

Howe Sound Co. had estimated net profit of $465,513 equal to 99 cents a share in the first quarter of 1942 compared with 63 cents the first quarter of the preceding year.

* * *

Nova Scotia has issued the annual report of its Department of Mines for 1941. An exhaustive survey is made of both metallic and non-metallic mining operations.

* * *

Cochenour Willans Gold Mines had net profit of $269,826 equal to 9.1 cents a share in the nine months ended Feb. 28, 1942, compared with $282,480 equal to 9.5 cents a share in the year ended May 31, 1941. The 150-ft. level is stated to be still supplying 50% to 60% of the mill feed with none of the known ore bodies entirely delimited either horizontally or vertically. On the 275-ft. level, a total length of 610 ft. of high-grade ore has been opened up in the general area of the 219, 221, 223 and 225 zones. Car samples for this length have run $31.92.

* * *

McKenzie Red Lake Gold Mines opened a total of 770 ft. of new ore the first quarter of 1942 with 1,743 ft. of drifting completed. On the hanging-wall of the northeast mine on the 450-ft. level, 70 ft. of ore was opened in the original north drift. This suggests important hanging-wall ore shoots as in the original mine. The 8111 drift north disclosed a further 325 ft. of ore for this level, making a total of 1,200 ft. of ore at this horizon in the northeast mine. On the 1,050-ft. level 205 ft. of ore was opened in two drifts with 1,000 ft. of favorable ground to explore. Production for the March quarter was $272,571 from 21,439 tons of ore for an operating profit of $127,000 before taxes and depreciation.

* * *

Sheep Creek Gold Mines had an estimated net profit of $385,884 equal to 15.3 cents a share in the nine months ended Feb. 28, 1942, compared with $317,154 or 16.9 cents a share in the year ended May 31, 1941. Profit before depletion and depreciation but after taxes in the latest nine months period was $358,367 equal to slightly more than 19 cents a share. This was secured from milling 41,018 tons of ore for a total recovery of $768,938.

* * *

Sullivan Consolidated Mines reports a substantial improvement in production the first quarter of 1942 compared with the corresponding quarter of 1941. Output of $456,282 the first quarter of 1942 was secured from milling of 41,175 tons of ore, representing an increase of $140,141 in recovery and 10,598 in tons of ore milled over the first quarter of 1941.

* * *

Premier Border Gold Mining Co. 1941 report records the granting of an option to Silbak Premier Mines. While surface exploration failed to reveal ore, underground work has revealed a small body of ore in the Premier Border property, it is stated. No work was done on the Foster Ledge property during the year. Investments include 500 shares of Bralorne Mines and 5,000 shares of Sheep Creek Gold Mines.

Dominion Aids Drilling With Tax Concessions

From Our Own Correspondent

CALGARY.—An amendment to the War Exchange Conservation Act, empowering the Dominion government to enter into "agreement with oil companies, to give them tax concessions to assist in the financing of prospect drilling so that new wells may be opened up and the nation's oil supply maintained," was passed by the Dominion just a year ago. Today that legislation is being pressed into use to develop Canada's domestic oil resources more fully as it becomes clear that oil shortages can develop even in oil-rich North America.

By very substantial taxation concessions, providing in effect Dominion funds to aid in financing approved prospect development, the Dominion government is starting to play a vital role in the expanding and increasingly vital search for new oil fields in western Canada. At least two enterprises have already been assisted and negotiations with others are being carried on.

Two weeks ago it was announced in Ottawa that the Finance Department is allowing tax concessions up to $25,000 to provide funds for additional drilling at Ace Royalties No. 2, a key test in the north extension of Turner Valley.

McColl-Frontenac Deal

This week it was announced that the McColl-Frontenac Oil Company had been granted tax concessions under the W. E. C. act to an amount not exceeding $800,000, the funds to be applied toward the company's development programme, in the Oyen-Sounding Creek area in central-eastern Alberta.

Under the agreement, McColl-Frontenac is required to drill two tests, with further drilling dependent upon results obtained at these two. One of the two tests, near New Brigdon, has already been completed and abandoned as non-commercial. The second, near Monitor, is currently drilling at 3,526 ft., through the Madison lime and close to the Jefferson lime contact. Cost of these two wells is covered in the agreement.

What further portion of the total allowance will be utilized will depend on results obtained at the current well. In such a large area as is covered by the agreement, of course, one or two wells neither prove nor disprove the field. With government aid secured, it does not appear likely that McColl-Frontenac will give up even if the well now drilling fails to obtain commercial production.

Several Companies Negotiating

The two agreements already announced will not be the only ones in which the Dominion will aid development. It is learned on good authority that several oil companies who have been playing a prominent role in prospect development are now negotiating with the Dominion for depletion and depreciation allowances, the taxation allowances to be applied toward specific prospect drilling costs in areas where the Dominion Mines and Resources Branch considers the outlook for production reasonably good. As was the case with the two deals already completed, the first public announcement of the details of the further agreements will likely be made by Finance Minister Ilsley.

See Oil Royalty Trade Aided by Developments

A number of developments have taken place recently of particular importance to investors in Canadian oil royalties. Among the most outstanding are:

1. Favorable logging of Major 9 well with geology suggesting an early contact with Madison limestone and the opening up of a new east flank for development in Turner Valley if the well proves a producer.

2. Granting of special tax concessions by the Dominion government for "wildcat drilling," indicating the stress being placed by the Dominion government on opening up further oil resources.

3. News from Ottawa and Washington that oil well equipment priorities are being adjusted satisfactorily. Registration granted for Atlas-British Dominion No. 3 well, indicating equipment assured for this well.

At the Major No. 9 well, which proved to be on the east flank of the Turner Valley formation crest, government inspections have confirmed the Belemite conglomerate at 7,520 ft. depth. Drilling is proceeding below 7,541 ft. with the operator confident that the limestone objective will be reached in the immediate future confirming the geological report of Dr. J. O. G. Sanderson on which drilling was first predicated.

While tax concessions on well drilling don't mean anything on royalty-financed wells, they may be of first importance to the extension of oil royalty well financing. If new oil fields are found, it is likely that a large part of further wells may be financed by oil royalty set ups.

Delayed equipment orders have now passed from Ottawa to Washington and indications are that oil well equipment will be given rating right next to military equipment.

Numerous oil royalties show higher distributions forthcoming on the basis of March production. This can be attributed to the slow rate of decline in production at the individual oil well and the fact that March was three days—or over 10% longer—than February.

PRODUCING WELLS — PRICES AND PAYMENTS

	Mar. daily allow. bbls.	Apr. daily allow. bbls.	Jan. roy. pay. 1% $	Feb. roy. pay. 1% $	Mar. roy. pay. 1% $	Paid to Mar. 31 1% $	Dealers offering price† 1%
Ace No. 1 gross	593	553	303.71	269.38	264.90	2,194.33	$7,300
Alta. Oil Inc. No. 1 gr.	143	122	78.80	61.60	65.60	3,829.60	2,900
Do., 1 net	143	122	60.00	50.80	56.00	3,185.20	1,200
Do., No. 2 gr.	555	565	240.80	214.80	251.20	4,342.80	7,500
Do., No. 2 net	555	565	225.60	196.00	229.20	4,436.60	6,500
Allied No. 1 pfd.	100	100	37.21	36.71	50.17	442.26	1,700
Arrow No. 1 net	200	191	88.40	81.20	85.20	1,138.40	2,200
Do., No. 2 net	207	209	82.40	76.80	86.00	1,061.80	2,500
Atlas-Br. D. No. 2 pfd.	909	752	....	....	....	......	10,000
D. & D. net pfd.	87	85	36.40	29.60	41.20	1,599.80	1,500
Harris No. 2 gross	90	85	45.29	41.15	48.24	2,334.42	2,500
Do., No. 2 pfd. net	90	85	34.16	32.20	39.03	2,041.33	1,500
Independent No. 1 p.	252	250	131.93	114.30	152.64	1,169.23	3,600
Do., No. 1 gr.	252	250	98.34	85.29	109.66	1,358.30	3,800
Major Oil No. 1 pfd.	171	160	54.00	82.80	92.00	228.80	2,300
Do., No. 1 gr.	171	160	98.40	76.00	79.20	1,111.60	2,500
Do., No. 2 pfd.	805	759	525.60	483.20	485.20	2,194.80	8,800
Do., No. 2 gr.	805	759	394.40	358.80	367.60	2,598.00	10,100
Do., No. 2 dfd.	805	759	....	....	....	......	5,800
Do., No. 3 pfd.	1,009	936	691.20	648.80	638.40	2,578.40	10,300
Do., No. 3 gr.	1,009	936	504.00	464.00	456.00	2,524.40	....
Do., No. 3 dfd.	1,009	936	....	....	....	......	7,600
Do., No. 4 pfd.	647	585	....	....	185.60	185.60	6,400
Do., No. 4 gr.	647	585	26.80	483.60	341.20	851.60	6,800
Miracle No. 1 pfd. net	791	759	523.50	486.86	500.13	3,020.85	8,500
Do., No. 1 dfd.	791	759	....	....	....	......	6,500
Do., No. 1 gr.	791	759	375.05	336.43	347.22	4,187.66	10,400
Do., No. 2 pfd.	862	575	....	....	....	......	6,200
Royalite-Model 1 gr.	207	201	....	....	....	......	4,600
Sunset No. 1 gr.	107	105	52.29	47.15	....	*6,658.82	1,900
Do., No. 2 gr.	91	85	40.36	36.64	....	*3,791.86	1,900
Twin Valley No. 1 gr.	181	181	84.15	74.86	82.35	1,728.16	4,300
United Assets (deb.)	210	175	....	....	....	......	100
Vulcan Brown gr.	173	141	80.80	110.50	85.70	7,887.05	4,300
Do., net	173	141	45.52	63.00	52.16	5,110.48	3,100
Winalta No. 1 pfd.	108	106	62.80	53.20	....	*3,057.90	1,800
York No. 1 gr.	98	94	50.64	47.43	....	*4,553.48	2,250
Do., No. 2 gross	96	85	36.00	33.60	....	*1,557.60	2,250

† Approximately 20% over dealer's bid prices usually. * To Feb. 28 only.

DRILLING WELLS — PRICES AND DEPTHS

	Drilling depth ft.	Offering price per 1%		Drilling depth ft.	Offering price per 1%
Ace No. 2 pfd.	7,710	*$4,375	Major Oil No. 8 pfd.	6,641	6,700
Adanac pfd.	2,576	*4,375	Major Oil, No. 8 gr.	6,641	8,000
Admiral No. 1 pfd.	3,737	*4,375	Major Oil No. 9 pfd.	7,479	*4,375
Admiral No. 1 gross	3,737	5,000	Major Oil No. 9 gr.	7,479	5,400
Atlas Br. Dominion No. 3	992	*4,375	Major Oil No. 10 pfd.	6,468	*4,375
Bonaventure pfd.	5,144	*4,375	Major Oil No. 10 gr.	6,468	5,000
Candn. Deposit. No. 1 pfd.	1,617	*4,375	Major Oil No. 11 pfd.	4,174	*4,375
Candn. Deposit. No. 1 gr.	1,617	5,000	Major Oil No. 12 pfd.	6,550	*4,375
Drillers & Prod. (unit) No. 1 & 3	Prod.	106	Major Oil No. 12 gr.	6,550	5,600
Ensign No. 1 pfd.	Cellar	*4,375	Miracle No. 3 pfd.	2,330	5,800
Hastings No. 1 pfd.	5,568	*4,250	Northclonmell No. 1 pfd.	1,653	*4,375
Inland Sarcee No. 1 pfd.	5,783	3,800	Northcross No. 1 pfd.	2,455	*4,375
Inland Sarcee No. 1 gr.	5,783	5,000	Northcross No. 1 gr.	2,455	5,000
Lion-Davies No. 1 pfd.	1,937	*4,200	Northend Pete. No. 1 pfd.	6,867	5,200
Major Oil No. 5 pfd.	4,784	*4,375	Northend Pete. No. 1 gr.	6,867	6,100
Major Oil No. 5 gr.	4,784	5,300	Northend Pete. No. 2 pfd.	3,351	5,000
Major Oil No. 6 pfd.	5,630	6,800	Northend Pete. No. 2 gr.	3,351	5,900
Major Oil No. 6 gr.	5,630	7,900	Northend Pete. No. 3 pfd.	5,814	5,100
Major Oil No. 7 pfd.	6,268	7,100	Northend Pete. No. 3 gr.	5,814	7,000
Major Oil No. 7 gr.	6,268	7,900			

*Pegged price.

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Mining INVESTMENTS

Hudson Bay Mining & Smelting Co.'s quarterly report shows that increased production doesn't necessarily mean higher profits in wartime. While the company has expanded its rate of production notably the past year, the report for the March quarter shows the level of profits little changed from a year ago.

Earnings for the three months ended Mar. 31, 1942, totalled $1,662,054 or 60 cents a share. In the first quarter of 1941, earnings were practically the same, totalling $1,662,135 or 60 cents a share. Figures in each case are after all operating costs, depreciation and taxes.

* * *

A big contribution to the United Nations' war effort, but one which has little publicity lately, is Canadian mines continued sale of copper at around the 10 cents a pound mark, a much lower price than that existing in the United States.

Speaking on copper, President R. C. Stanley of International Nickel Co., recently gave some interesting details on this situation. Said Mr. Stanley:

"In September last our contract with the British Ministry of Supply for delivery of the major portion of our output of electrolytic copper was renewed for another year. The terms remain the same as in the original contract, delivery f.a.s. Canadian port at a price in Canadian currency, approximately that ruling on the London Metal Exchange just prior to the declaration of war, with allowances for increases in costs over prewar costs. The terms of this contract are also applicable to our deliveries of copper in Canada for munitions production. The price realized is substantially less than the price ruling in the United States. This difference in price applied to our large tonnage amounts to a substantial sum which may be considered as our portion of the Canadian copper producers' contribution toward winning the war."

The contribution of the copper producers is fixed on a per pound basis as allowances are made for increased costs (but not increased taxes). When production of copper is increased, however, our "contribution" is increased proportionately.

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United Nations Rapidly Turning Peacetime Product Over to War Uses

By GORDON M GRANT

Fire-resisting asbestos — the "magic mineral of antiquity"— has become a new and important factor in modern warfare. Because there has been no scarcity of it, asbestos has not been in the headlines. But it has nevertheless established itself as a strategic war mineral—a mineral in which the United Nations hold a definite advantage.

When France collapsed in June, 1940, Canada's asbestos industry faced a period of semi-depression. European markets were cut off. The construction industry, ordinarily a big outlet for asbestos fibre, was in the doldrums. With Hitler working his will in Europe, things looked anything but bright for asbestos.

But the situation changed with a remarkable quickness. World War II soon placed an emphasis on an expanded output of all kinds of war material. And asbestos almost overnight came into demand for a variety of new uses connected with the war.

All Forces Use It

All the armed forces — Air Force, Army and Navy—are today listed as asbestos users. Perhaps 70% of all asbestos production is going into war work—either directly or indirectly. Many details of new products cannot be disclosed (they are secrets enemy agents would gladly learn), but enough of the uses can be told to indicate the extensive uses found for asbestos.

Battleships, cruisers and destroyers are using asbestos for insulation.

Bombers are using asbestos for packing and gaskets. New camouflage paints incorporate celite, an asbestos product to secure a flat color.

A new asbestos cement pipe is finding great favor in airdrome construction. Its light weight means speedy construction. As the pipes are easily joined, skilled labor is not required for actual pipe laying.

Camouflage Shingles

Special asbestos camouflage shingles have been made for barracks. For brake lining in army trucks, asbestos is an essential. Asbestos is even being incorporated in such things as switchboard panels in destroyers, wall insulation for troopships, packings for submarines.

Usually asbestos is a hidden war material. It is not obvious to the eye. In nine uses out of ten, asbestos isn't recognized in plain sight.

Sometimes, however, it is quite obvious. On aircraft carriers and on airfields "crash suits" made of asbestos are standard equipment for fire-fighting forces. When a plane crashes, it is men with asbestos suits that drag forth injured fliers without fear of fire.

"Textiles" In Demand

Demand for asbestos "textiles" has grown enormously due to war uses. Present requirements are taxing plant capacity. Asbestos "suits" are in extensive use at airfields. Suits for tank crews and pill box occupants are new possibilities if light outfits can be devised which will not hinder freedom of action. Nazi forces have emphasized use of flame throwers and asbestos suits may provide part of the answer in dealing with this offensive weapon. Research work on asbestos is extensive and many interesting and valuable developments appear to be on the way.

Asbestos is particularly important to the United Nations because it is something we have that the enemy hasn't. Germany, short of asbestos, has created an "ersatz" asbestos for brake lining. Made up of aluminum or steel wool combined with synthetic rubber as a binder, the ersatz product does not appear suitable for textiles and fabrication of fire-resisting suits.

Canada The Leader

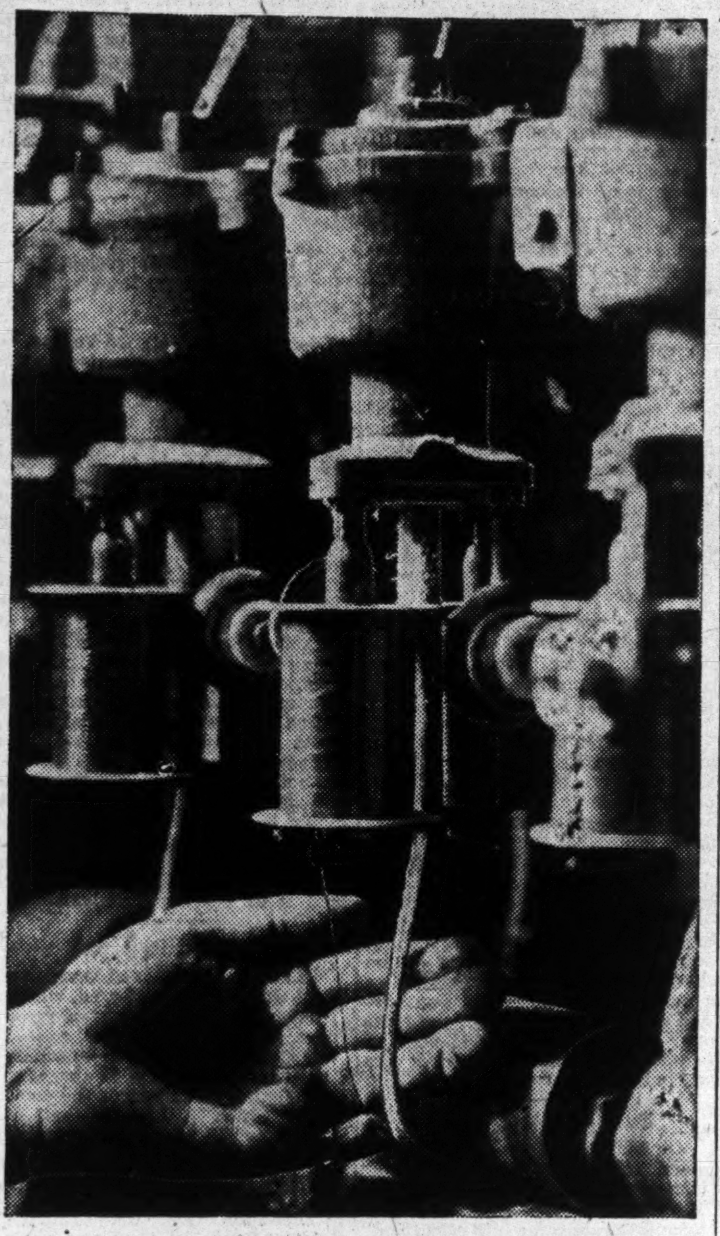
Canada, as the producer of 70% of the world's asbestos, holds a dominant position in the asbestos picture of the entire world. As well as possessing the world's greatest asbestos products industry, Canada also has the world's greatest asbestos - producing mine — the great Canadian Johns-Manville mine at Asbestos, Que.

The grey fibrous mineral with its unique qualities is one of which we are not likely to run short before the end of the war. Indicated reserves in the Quebec area suggest a minimum of a further 150 years of operation.

Larger asbestos production— when and if an increase is needed —is not likely to present the same problem as increased base metal production. Development of a base metal mine may require years for the putting down of a shaft and extension of workings laterally. Asbestos mining in Canada is carried on by open pit or open cut methods. Further asbestos would not be difficult of procurement.

The Johns-Manville open pit is no less than 3,500 ft. wide and has been carried to a depth of 350 ft. below the hilltop where mining was first commenced.

Statistics of the pre-war year of 1938 show the way the United Nations dominate the asbestos field and the small supplies available to the Axis:



"Textiles" are an important part of the asbestos-processing business. Here is some of the asbestos "yarn" being turned out by one of the large firms in the industry—Canadian Johns-Manville.

Country:	Output tons
Canada	262,894
U.S.S.R.	86,000
Southern Rhodesia	53,352
South Africa	21,025
United States	9,471
Italy	6,860
Cyprus	5,668
Finland	*3,300
Czecho-Slovakia	*2,700
Japan	*1,000
Turkey	668
All others	*1,008

*Estimated.

Axis production of asbestos is even less important than these figures suggest. For "textiles," asbestos with long fibres is desirable. Canada and other United Nations countries hold the whip hand when it comes to these long fibres.

Mining and processing of asbestos fibre is unlike any other business.

To start with, it takes a relatively large tonnage of asbestos ore to turn out a small quantity of fibre. In 1937, for instance, it was calculated that more than 6 million tons of rock had to be mined and milled to obtain Canada's output of something under 400,000 tons of asbestos fibre.

Separating fibre from rock is a rather lengthy process. There is a series of crushing or fiberizing stages after each of which a collector, operated on the exhaust fan principle, picks up liberated fibre. First fibres collected are the spinning fibres, best grade of milled asbestos and second only to the "crude," hand-picked after blasts.

After spinning fibres are secured comes insulation material, a base for heat-resisting papers. Next comes so-called shingle fibre, then paper fibre. Lowest grade collected from the milling process is short fibre. Price varies greatly for the finished product, depending on grade.

That asbestos production has been able to keep up with the ever-growing demands of the war industries to date is due to the combination of two circumstances. Cutting off of European markets made just that much further capacity available for war industries. Cutting off of motor car production meant the releasing of much further asbestos for war purposes. Asbestos was used in both motor car brake bands and for clutch facing on ordinary motor cars. This material has become available for military vehicles and other purposes. The asbestos that formerly went into a motor car may now form the "mattresses" which line the sides of a gun turret on a destroyer. Perhaps it may be used for the treads of a tank, or again, perhaps inside the tank itself.

Resists Acid Too

Besides being heat resistant and fireproof, asbestos is acid resisting. This is another reason why asbestos is becoming a vital war material. Acid conductors are being made of asbestos and as chemical industries are expanded with the war, use of asbestos is increasing. In munitions plants, where fire would represent a serious hazard, asbestos sidewall material is "getting the nod" as a construction material. With well over 1,200 individual products developed by one asbestos firm alone, asbestos has rapidly changed from a material of peace to a vital material of war.

One of the few raw materials of which a serious shortage has not yet occurred, asbestos is nevertheless a unique war raw material. It is a war raw material for which there is really no satisfactory "ersatz" substitute and Canada is the big supplier.

Mining Company Reports

Sullivan Consolidated

While production was increased over $100,000 in 1941, Sullivan Consolidated Mines profits were lower at 8 cents a share compared with 9.1 cents in 1940 due chiefly to higher development costs and taxation.

Reflecting the increase in development, however, ore reserves show an increase of 39% in value, totalling 570,000 tons of $11.10 grade per ton as at Mar. 31, 1941. Tonnage milled plus tonnage of ore in reserve to the 1,250-ft. level is stated to be equal to 924 tons per vertical foot.

No. 2 shaft was deepened 404 ft. to 1,350 ft. Much new ore in the form of large lenses is stated to have been disclosed in the main ore zones: The A and No. 4 zone, on the 750, 850, 950, 1,050 and 1,150-ft. levels. Ore was exposed in the western section of the mine in the 914 drift.

Acquisition of the Central Mining Corp. property is felt to protect the downward extension of the company's veins.

Income and Surplus Account
Years Ended Dec. 31

	1941	1940
	$	$
Bullion production	1,364,758	1,247,705
Less: Marketing	14,561	13,399
	1,350,197	1,234,306
Less: Development	357,192	265,602
Mining	264,330	242,848
Milling	131,776	121,059
Gen. mine overhead	20,571	19,239
H. O. expense	21,249	20,054
Tsf. fees & divd. exp.	9,538	6,220
	545,541	559,284
Add: Interest earned.	4,324	6,710
Sundries	3,083	2,782
	552,948	568,776
Less: Depreciation	68,598	59,847
Que. profits tax	20,099	20,357
Development w/o	13,371	24,548
Dom. income tax	126,458	99,766
Net profit	324,422	364,258
Less: Dividends	320,000	360,000
Surplus for year	4,422	4,258
Add: Prev. surplus	418,935	416,110
Equipment profit	1,848	......
Less: Tax adjustment	......	1,433
Surplus forward	425,205	418,935
Earnings Per Share and Dividend Record:		
Earned	$0.08	$0.091
Paid	0.08	0.09
Working capital	190,820	298,882

Royalite Oil Co.

Increases in earnings, production and footage drilled feature the 1941 annual report of Royalite Oil Co. Profit of $966,255 was equal to $1.35 a share compared with $1.22 in 1940 and $1.05 in 1939.

Output during the year reached 1,391,373 bbls. of crude oil and 10,388,883 M cu. ft. of natural gas, representing an increase of 40,531 bbls. of crude oil and 1,603,192 M cu. ft. of natural gas.

A substantial increase in footage drilling was recorded compared with previous years. The 140,760 ft. of drilling completed (27 miles) was an increase of 26,145 ft. over 1940. Through this drilling, completed on the company's own account or under contract, 18 wells were successfully brought into production. At the end of the year seven further wells were drilling.

During the year, one-half the Seaboard natural gas scrubbing plant was replaced with a unit of a Girbotol scrubbing and dehydration plant. This takes care of an increased natural gas load.

Working capital at $2,743,956 was over $500,000 higher at the end of 1941.

Broulan Porcupine

Operating profits of $106,871 equal to 4 cents a share were realized by Broulan Porcupine Mines the first quarter of 1942, President Bert W. Lang informed shareholders at the company's annual meeting.

Silling out and taking down backs in a number of low-grade stopes resulted in lower than normal profit first quarter. Development during the quarter was carried far ahead of current requirements.

It is anticipated that during 1942 production may compare favorably with that of 1941 although some reduction may be expected through loss of men to the armed forces and war industries. As development and stope preparation work have been advanced well ahead of normal requirements, a substantial reduction may be made in the number of employees before reflecting a relative drop in gold output.

Nine cents a share was paid in dividends in 1941. Mr. Lang thought that, although it is difficult to determine the trend of events, 1942 dividends may equal those of 1941.

Bonetal Gold

Detailed exploration of the No. 2 or "chicken feed" ore zone of Bonetal Gold Mines is expected to get under way shortly, Walter F. Brown, mine manager, informed shareholders at the annual meeting. The long drive on the third level for exploration of this zone is now about 70 ft. from its objective.

Plans call for exploration of a 500-ft. length of the No. 2 zone by diamond drilling from the drift when the long drive is finished. The 3-430 crosscut in the chicken feed zone located about 200 ft. west from the main crosscut on the third level has been slashed out to an area of 3,450 sq. ft. Considerable heavy gold has been seen with chip samples running 0.146 oz. and car samples 0.12 oz. Coarse gold has been encountered in the same zone on the fourth level the past week.

Production in the March quarter was $54,713 from 10,591 tons of ore milled. Over 50% of ore milled so far has come from development headings.

Coniagas Mines

While market value of securities suffered a decrease due to lower quotations for both industrial and mining stocks arising out of war conditions, Coniagas Mines is maintaining a very liquid position to enable the company to take advantage of mining opportunities, President A. L. Bishop states in the company's annual report.

At the end of 1941, investments with a book value of $1,497,808 had a market value of $1,723,328. Quoted securities had a value of $2,166,955 at the end of previous year. Earnings were 8.6 cents in 1941 against 6 cents in 1940.

Shareholdings at the end of 1941 included 437,700 shares of Coniarum Mines, 49,099 of 143,872 outstanding shares of Desjardins Mines which controls Flordin Mines, 707,053 shares of Kenora Nickel and 910,042 shares of Sturgeon River. Some of claims were staked in 1941 and work was done on others.

Consol. Income and Surplus Account
Years Ended Dec. 31

	1941	1940
	$	$
Int. & divds. rec.	102,310	100,165
Profit on secs.	19,238	18,998
Misc. income	1,846	2,435
Total revenue	123,394	121,598
Less: Oper. exps.	61,653	78,851
Profit or surp. for yr.	61,741	42,747
Add: Prev. surplus	1,548,974	1,746,104
Less: Dividends	125,897	191,275
Adjust. re subsid.	......	48,598
Consolid. adjust.	4	4
Surplus forward	1,484,814	1,548,974
Earnings per Share and Dividend Record:		
Earned	$0.086	$0.06
Paid	0.175	0.25
No. of Shs. Outstand.	719,409	719,409
Working Capital		
	$	$
Current assets*	1,530,500	1,579,569
Current liabilities	3,058	7,587
Working capital*	1,527,442	1,571,982

*Taking securities at book value which was less than market value in both years.

Quebec Will Bonus Zinc Refinery

From Our Own Correspondent

MONTREAL. — Quebec is prepared to spend $1 million in bonuses in order to encourage establishment of a zinc refinery in the province, according to a statement issued by Hon. Edgar Rochette, Minister of Mines.

Considerable exploratory work has already been done in the Labrador region though the Minister pointed out there was yet no indication that zinc deposits found were capable of economic development.

Gold Frontier Mines has deferred mill plans until further development of a newly located north vein has been carried out, a progress report to shareholders reveals. It was decided to sink a shaft to 100 ft. to explore this vein which has been traced at surface for 3,300 ft. Stripping at two points indicated two commercial zones 440 and 150 ft. long, respectively. The shaft is stated to have been completed to its objective with the vein intersected showing a width of 3 ft. of high-grade ore.

Ontario Nickel Corporation

As we believe the shortage of nickel is becoming increasingly acute and, from advices received, is likely to continue for several years after the War due to reconstruction requirements, we regard the Shares of Ontario Nickel as attractive at the present time. The Company anticipates being in profitable production within a few months.

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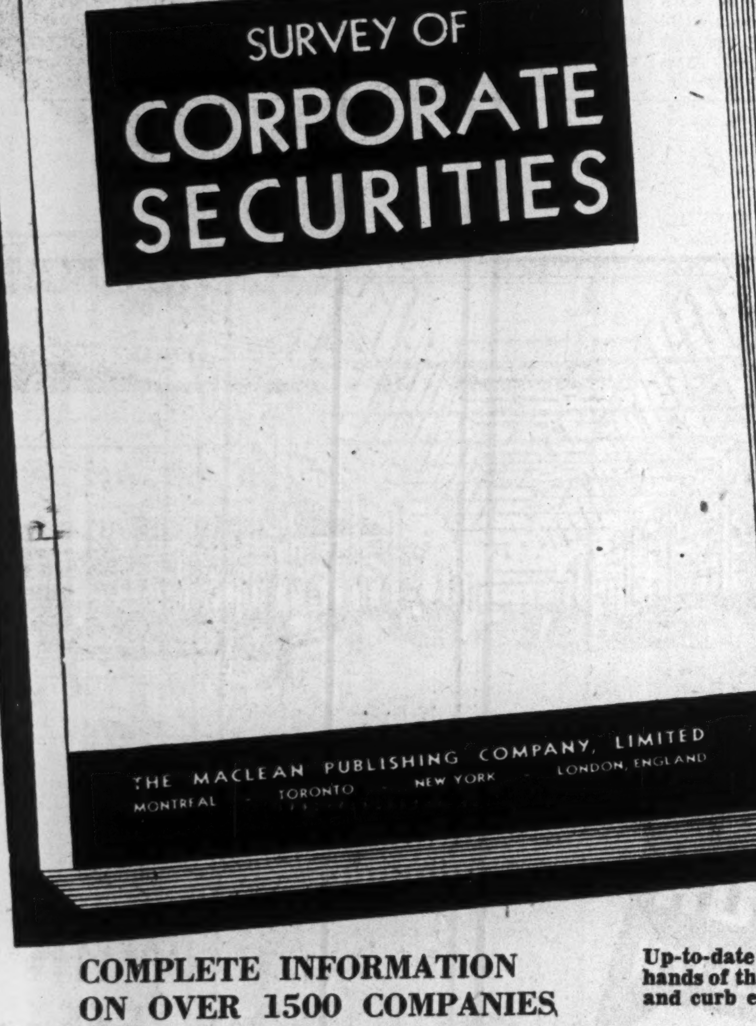

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How Can I Meet the New Double Death Duties?

For many years succession duties have been levied by the Canadian provinces on all sizeable estates. When the Dominion Government recently entered the field, the burden of death duties was greatly increased. Failure to plan how the new conditions are to be met will likely involve serious trouble for heirs and businesses involved and cause estate charges to exceed legal requirements.

The Financial Post herewith presents the fifth of a series of articles discussing the various problems that may arise and the best ways of meeting them. The writer, W. E. N. Bell, is a graduate of Osgoode Hall Law School and is associated with the Manufacturers Life Insurance Co. Since 1937, he has specialized in tax matters and problems affecting estates. Mr. Bell is a graduate of the University of Toronto; was a member of the Varsity rugby team, and captained the Canadian cricket team sponsored by Hon. R. C. Matthews that visited England in 1936.

By W. E. N. BELL
(Taxation and Insurance Consultant)

Problems affecting certain owners of companies whose stock is held in few hands have been so aggravated by the passing of the Dominion Succession Duty Act that they are worthy of separate consideration.

There has been a natural tendency for persons operating their own limited companies:

To provide increased capital by ploughing back profits into the company.

To draw out of their companies each year only what they felt they required for their own living expenses, leaving the balance of profits in the company, rather than taking out substantially more than was required to meet the current year's expenses and paying comparatively high personal income tax on the excess withdrawn.

The excess when left in the company was subject in the past to reasonably low corporation income taxes.

Surpluses Accumulate

As a result of these two factors large undistributed surpluses have been accumulated in many of these companies, some or all of which are being used as capital in the actual operations. As a result of accumulation of profits in the company, the owner may have very few assets of his own, other than the stock he owns in his company.

In the past he has to some extent tended to look upon the company as himself. He has felt that as he was able to improve the position of his company, he had improved his own position in the same degree. That this attitude is not now entirely correct can best be illustrated by an example:

All the stock in X Co. Ltd., other than qualifying shares, is owned by A. He started off 30 years ago in a small way and has during the intervening period built his company up to its present prosperous position. A is 56, domiciled in Ontario. He is married and has two children, a daughter and son. The son, he hopes, in the near future will be working with him in the business.

Position of Company

The company's financial statement indicates the following position:

Assets	
Liquid—Investments, Inventory and Accts, Rec.	$450,000
Non-Liquid—Machinery, Land and Buildings	150,000
	$600,000
Liabilities	
Current—Accts. Payable & Reserve for Income Tax	$100,000
Other—Capital	50,000
Undistributed surplus	450,000
	$600,000

A's estate is largely made up of stock in X Company. The value of the stock cannot be determined definitely for succession duty purposes since this is dependent upon the value the succession duty departments will set upon it at the time of A's death. A is worried because he recognizes it will be next to impossible for his executors to raise sufficient cash to meet the various charges arising on his death without a sale of stock in X Company and because he feels a valuation may be set on the stock in X Company by the succession duty departments in excess of what he considers to be its real worth. In order, therefore, to ascertain approximately what the problems in this regard facing his executors on his death will be, he has the following statement of his affairs prepared:

Assets		
Stock in X Company	$400,000	
Investments	20,000	
Insurance	40,000	
Real Estate	25,000	
Personal Effects — Furniture, cars, sundries, etc	10,000	$495,000
Liabilities		
Bank Loan		20,000
Net Estate		$475,000

(A. arrives at this value by referring to book value and also by capitalizing average earnings over the past five years at 10 times such earnings.)

At His Death

He has prepared a will providing that:

His wife is to receive the income from his estate for her lifetime.

On her death the estate is to be divided into two parts, the son to receive his share outright and the daughter's share to be held in trust for her during her lifetime with capital to be distributed to her issue on her death.

A. finds that on his death, approximately the following charges will be made against the capital of his estate:

Approximate Succession Duties:		
Provincial	$55,140	
Dominion	54,260	$109,400
Surrogate Court Fee		1,200
Solicitor's Fee		1,500
Executor's Fee (Part)		7,500
Clean up expenses, to pay doctors, hospital, nurses' bills, accrued income and real estate taxes		9,000
		$128,600

The assets available to meet these charges would be:		
Liquid Assets—		
Insurance	$ 40,000	
Investments	20,000	$ 60,000
Charges against liquid assets:		
Charges as above	$128,600	
Liabilities	20,000	$148,600
Deficiency of liquid assets		$ 88,600
Non-Liquid Assets—		
Stock in X Co.	$400,000	
Real Estate	25,000	
Personal Effects, etc.	10,000	$435,000
Apparent excess of non-liquid assets		$346,400

A. sees that unless he does something to improve the liquid position of his estate, his business may be subject to forced sale at a sacrifice on his death.

What Can He Do?

When this picture is outlined to a business owner he may very well ask, "What steps is it possible for me to take now to alleviate some of the problems my executors will apparently have to face, to make the position of my family more secure, and to enable my son to carry on my business after my death. The liquid assets required are available in the company, how can I either get a portion of those assets into my own hands or in the alternative, obtain liquid assets from other sources in an amount sufficient to cover the needs of my estate."

It would seem logical that A. should be permitted to withdraw from the business, through the reduction of capital, without making himself liable for income tax, a portion of his initial capital investment. If, in the first instance, he had in forming his company created redeemable preference shares and had them issued by the company in return for the major part of his investment, he could now redeem these shares and not be liable for income tax on the amount he received on redemption. The failure to create preference shares at that time should not prejudice him now, when, at the time his company was formed, the necessity of taking a precaution of this nature might not even have existed. It is apparently impossible for A now to create preference stock for the purpose of redemption without subjecting himself to a claim for income tax by the Department although it is not entirely clear whether the Department would succeed under all circumstances in enforcing its claim.

Two Methods of Procedure

Two other means are normally available to A of obtaining for himself some of the liquid assets held by his company. These are first a salary increase and second dividends. A's salary now, however, is fixed and probably cannot be increased. Dividends can be declared by X Co. and A may receive some cash in this way. These dividends will, of course, be subject to heavy personal income taxes in A's hands.

It is apparent from this example that the advantages and disadvantages of the accumulation of surplus in a company year after year, beyond the needs of business expansion and desirable reserves should be carefully weighed. As can be seen, A and his company are not the same entity.

It may well be that A will feel a complete solution to his problem cannot be found in withdrawing from his company, through the payment of dividends, the liquid assets he needs. He must then determine how else the funds required can be obtained. Obviously A or A's son can take insurance on A's life, if A is insurable, and create the cash required on A's death in this way. Insurance of $75,000 at age 56 would involve an annual premium deposit of $3,577. It is more than likely A will not have surplus income of this amount and all or a portion of the dividends which he decides to have his company declare may be used to meet this premium.

May Not Be Insurable

A may not be insurable and in any event another method of raising the cash he requires may appeal to him. It may be that a small group of interested persons might buy a portion of A's stock in the company, leaving control still in his hands. In the alternative, if no such group exists, it might be feasible for some of A's stock to be sold to the public.

Sell Stock to Public

A portion of A's common shares could be converted to non-redeemable preferred shares and these with a further portion of A's common shares might be sold to the general public. In this way it might be possible for A to realize $200,000 or $250,000 in cash for a portion of his investment in the company and still retain control. This method of raising the funds required has the double advantage of enabling A to realize a substantial amount in cash and at the same time fixing a valuation on the stock of the company for Succession Duty purposes.

There are practical difficulties standing in the way of this solution. X Company must have an earnings record of a sufficiently attractive nature to cause others to want to share in future profits. These future profits have to appear, even under current condition, to be of a reasonably stable nature, and even if these factors do exist, marketability of the company's stock at the present time would have to be carefully considered.

When approximately 30% of the assets of an estate have to be paid out problems are bound to arise. When these assets have to be paid out at a time when the estate itself is deprived of the creative ability of the person responsible for its existence, the problem becomes even more acute. When the assets used have to be realized within a short period of time and may, themselves, represent the very cream of the estate the seriousness of the problem has been added to again.

Whatever solution A finally adopts it is bound to entail sacrifices. The return to him for the sacrifices he makes will be measured by the extent of his desire to pass on the property he has created to those dependent upon him.

Little Says Better Relations With Workers Mandatory

By STAFF WRITER

OTTAWA.—One part of the man power mobilization programme which will be kept for the time being in the hands of Director Elliott M. Little himself is the establishment of better employer-employee relations throughout Canadian industry. In the near future this may become one of the most important features of the programme in so far as many Canadian employers are concerned.

Director Little has decided views, based on 28 years of personal experience as worker and boss in Canadian pulp and paper plants, as to what can be accomplished through improved plant relationship. He holds to no hidebound formula such the "plant council" but, as he told Canadian publishers a few days ago:

With Rather Than For

"From my own experience, I know that men do better work if they feel that they are working with you and not merely working for you. I know too that if men are encouraged to take an active interest in the operation of their plant it is amazing what practical suggestions for improving operations and increasing production come from a long way down the line.

"Better employer-employee relations have got to be brought about. Better personnel relations mean better personal relations between employer and employee. It does not mean paternalism. The employee does not want nor ask for paternalism. He simply asks to be recognized as a responsible citizen.

"Considering the urgency, it is high time that we, as factory managers and employers, recognize this—and having recognized it, do something about it. Improved relations are not merely a question of bettering the plant atmosphere. They will pay dividends in tanks, guns and planes.

"Unfortunately, not all people in the ranks of management or in the ranks of labor appreciate the effect of some of their actions

Some employees have apparently run from industry to the farm in the belief that they could establish immunity from military service, and, on the other hand, some employers regard the selective service regulations as an excuse for dumping their employee problems in Ottawa's lap. Plant efficiency cannot be regulated from Ottawa. An employer's relations with his employees should be of prime concern to himself, the employer."

Cape Breton Miners To Consider Problem

From Our Own Correspondent

MONTREAL. — United Mine Workers District 26 executives will be asked to call a district convention in order that Cape Breton miners can discuss, among other things, the recent drop in production of Dominion Coal Co.'s collieries.

Production at the 11 company mines in Cape Breton has averaged around 16,000 tons a day recently, while the pits are capable of hoisting approximately 18,000 tons.

"Good Neighbor" Is Keynote For Rotarian Meet

The "Good Neighbor" relations of Western Hemisphere countries will be stressed at the international convention of World-Wide Rotary, which is to be held in Toronto in June.

At least 18 South American nations are expected to be represented. A special invitation has been sent to every Rotary Club in the Latin American republics by Hon. J. A. MacKinnon, Minister of Trade and Commerce. The president-elect of Rotary International is Don Fernando Carbajal, of Lima, Peru, a distinguished engineer who took part in the construction of the Panama Canal and is now managing director of Peru's public telephone system. Rotary membership in South America is 11,000.

Object of the convention will be to "spread the gospel of international goodwill," according to Toronto Rotarians. The convention keynote is "Learning to Live Together." Members of the host club are familiarizing themselves with details of Canada's war effort, so as to be able to pass this information along to visitors from other countries.

The big convention was last held in Toronto in 1924, when 9,000 delegates registered. It was estimated at the time that the convention put $1.7 million in circulation.

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Steel of Canada

As a subscriber of The Financial Post, I am taking advantage of your enquiry service to ask for your opinion on the common stock of Steel Co. of Canada.

Steel Company of Canada's common stock enjoys a high investment rating. This organization is one of the largest operating in the iron and steel field and over a period of many years has set up a well established earning power. The company enjoys an exceptionally strong financial position and it has paid dividends on the common stock for many years. At present all facilities of the company are employed on the war effort. Because of increased taxation, earnings have not reflected the increased volume of business handled by the company. However, net profits available on the capital stock have been more than adequate to cover the dividend requirements. As long as the war lasts, naturally it is expected that Steel of Canada will operate on an all-out basis. In respect to its peacetime operations, the company has a well established business which should permit it to make postwar readjustments with a minimum of difficulty.

C. S. L. Bonds

Among my holdings is a $500 5% Canada Steamship Lines bond. Can you let me have a brief report on the position of this company and its prospects?

Canada Steamship Lines position has been greatly altered for the better as a result of war conditions. Every available ship the company owns is in operation and earnings have improved substantially. The value of the bonds has risen steadily and the company has not only been able to fully service funded debt, but also has been able to build up a strong working capital position. Moreover in view of the sharp reduction in fixed charges, as a result of the reorganization carried out a short time ago, the company is in a much better position to meet the inevitable after the war adjustment.

Withholding Tax

On March 15 I received a dividend from a U. S. company on which tax had been deducted at the rate of 27½%. When does the new 15% rate come into effect and have I a refund coming for over-deduction?

While the new reciprocal withholding tax agreement between Canada and the United States has been signed by representatives of both countries, it still requires to be ratified by the U. S. Senate before it can go into force so far as the latter country is concerned. In Canada it is already in effect. Deductions made at the source on dividends and interest paid from the United States to residents of Canada will continue to be at 27½% until this agreement is finally ratified which may take a few weeks.

A provision is made for an automatic refund of any over-deduction without the necessity of the recipient of the dividends having to make application. It should be remembered that during 1941 the United States deducted a withholding tax at the rate of 5% up to the end of April, then 16½% to July and 27½% from then on. This complicates the question of figuring out any refund and also leaves the possibility that there may be claims for additional taxes made on some Canadians who may have sold securities on which they received dividends only in the early months of the year. The new 15% rate is to apply from January 1, 1941.

Fraser Cos.

As a subscriber to The Financial Post I would appreciate having your opinion on the 6% bonds of this company.

Fraser Cos. had a good volume of business last year. Earnings were high and bond interest was covered by a wide margin. While the company is engaged in the pulp and paper business, as well as lumbering, it is less likely to be affected by conditions which might tend to restrict output for the newsprint companies. Frasers manufacture a high grade sulphite pulp for which there is an exceptionally strong demand. In addition its paper plant (located in the United States) is doing well and should be able to market all it can produce. The lumbering end of the Fraser business is subject to ups and downs depending upon the demand from the United Kingdom and elsewhere. While the latter division has been less active of late, still the prospects are not unfavorable. For the duration of the war Fraser Companies should be able to maintain earnings at a relatively high level, which, in turn, should place the company in a strong financial position to contend with postwar problems.

Dominion Coal

I have some shares of Dominion Coal Co., the 7% preferred, which I have had for a number of years now. The dividend was passed last October and I was considering whether, in view of the very bad annual statement of the company which just came out, it would not be advisable to switch to something else. I would like to have your views on this point.

Dominion Coal Co.'s financial statement for last year was disappointing. While it was known production had been sharply curtailed because of the dispute among the miners over union policy, still it came as a surprise to the shareholders when the company reported they had operated at a substantial loss for the year. The situation is further confused by the fact that in other years the company reported a profit on substantially the same volume of business as was handled last year. Currently operations are on a better basis, though output is still not at capacity. Better earnings are to be anticipated in 1942, but we are inclined to agree with you that it will probably be a little while before the company resumes dividends. Whether or not you switch to some other security depends upon your own investment policy. If you are not in need of income from this investment, then it might be advisable to hold in anticipation of the expected recovery. On the other hand, if the income is needed, there are a number of securities which offer an immediate return and which probably would prove just as satisfactory an investment as the preferred stock of Dominion Coal Co.

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